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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE
UNITED NATIONS PEACE-KEEPING OPERATIONS: FINANCING OF THE
UNITED NATIONS PEACE-KEEPING OPERATIONS

Letter dated 21 July 1995 from the Chairman of the Phase III
Working Group on Reimbursement of Contingent-Owned Equipment
to the Chairman of the Fifth Committee

In my capacity as Chairman of the Phase III Working Group on Reimbursement of Contingent-Owned Equipment, I have the honour to transmit to the Fifth Committee the report of the Working Group dated 20 July 1995.

(Signed) Major-General Mohamed Labib Hassan NAGUIB
Chairman
Phase III Working Group

ANNEX

Reform of methodology and procedures for determining
reimbursements to troop-contributing countries for
contingent-owned equipment

Report of the Phase III Working Group on Reimbursement
of Contingent-Owned Equipment

20 July 1995

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I. INTRODUCTION

1. Meeting under the authority of General Assembly resolution 49/233 A of 23 December 1994, a working group of Member States met from 27 March to 7 April 1995 and examined the issues related to the establishment of comprehensive standards for each category of contingent-owned equipment and the establishment of rates of reimbursement that would apply thereto. In accordance with the timetable in the above resolution, this constituted completion of the second phase of the approved study. The Working Group submitted its report as document A/C.5/49/66 of 2 May 1995.

2. The report of the Phase II Working Group laid out a series of actions required for discussion in the third phase of the study. These items, contained in paragraphs 56 to 61 of the Phase II report (A/C.5/49/66, annex), were discussed in detail in the Phase III meeting held from 10 to 20 July 1995.

3. Following the Phase II meeting, the Secretariat undertook additional studies, and, in accordance with paragraph 24 of the Phase II report, an ad hoc group hosted by the United Kingdom of Great Britain and Northern Ireland and consisting of technical experts from seven troop-contributing countries, with representatives of the Secretariat, met from 30 May to 5 June 1995 to frame proposals that could address the recommendations contained in paragraphs 57 and 58 of the Phase II report. These proposals were developed to facilitate discussion by the Phase III Working Group and formed the basis of several of the issue papers taken into consideration. These recommendations apply essentially to rates of reimbursement, including loss or damage to contingent-owned equipment and supplies.

4. The recommendations contained in section IV of the present report must be read in conjunction with the recommendations contained in the Phase II report. In some cases, the recommendations of the present report override those of Phase II, as additional information became available and changing circumstances necessitated alterations. In all other respects and in framing final documentation for consideration by the General Assembly, the two reports should be seen as complementary.

5. The Working Group, in line with the procedures established in Phase II, conducted its deliberations on each matter to be addressed in Phase III on the basis of issue papers prepared by designated focal point Member States or by the Secretariat. The present report summarizes the discussions and the key recommendations of the Working Group. The issue papers provide additional rationale and technical considerations and thus form essential complementary information upon which the recommendations should be analysed and implemented. The Working Group addressed the following issues and made recommendations thereon:

(a) Performance standards and reimbursement rates for the provision of major items of contingent-owned equipment and their associated minor equipment and consumables;

(b) Performance standards and reimbursement rates for self-sustainment;

- (c) Procedures for verification and control of the provision of contingent-owned equipment;
- (d) The form of a revised model peace-keeping services agreement;
- (e) Reimbursement for the costs of transportation;
- (f) Reimbursement for loss, damage or forced abandonment of contingent-owned equipment;
- (g) Provision for reimbursement for costs associated with extreme environmental conditions and intensified operational use;
- (h) Revisions to procedures related to letters of assist;
- (i) Implementation planning.

6. The Phase III Working Group was chaired by Major-General Mohamed Labib Hassan Naguib of the Ministry of Defence of Egypt. Colonel Bo Brandt, Counsellor and Military Adviser, Permanent Mission of Denmark to the United Nations, acted as Vice-Chairman.

II. SUMMARY OF STATEMENTS BY THE SECRETARIAT

7. Mr. Leon Hosang, Director, Peace-keeping Financing Division, Office of Programme Planning, Budget and Accounts, speaking on behalf of the Controller, welcomed the representatives and noted that, while significant work had been done during the second phase in categorizing equipment, the hardest part, reaching consensus on rates of reimbursement, faced the Phase III meeting. He emphasized the need to develop rates that were justifiable and defensible and that would pass the scrutiny of the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee before they were presented to the General Assembly, where both troop-contributing countries and those that contribute funds must be equally satisfied that the proposals were fair and realistic. He stated that the project had attracted a great deal of attention and that expectations were high that a successful outcome would be achieved.

8. Lieutenant-General Manfred Eisele, Assistant Secretary-General, Office of Planning and Support, Department of Peace-keeping Operations, emphasized the need for credible reimbursement proposals in the light of the current cash flow situation affecting United Nations peace-keeping resources and commitments. Noting that letters of assist would continue to be considered on a "first come, first served" basis for the time-being, he asked that Member States accept that economical methods of transportation would continue to be sought, but he emphasized that it would not be at the expense of the safety or comfort of the personnel or equipment of a troop-contributing country. He advised that pragmatic approaches were required in relation to the issue of abandonment or directed destruction of military equipment and supplies as the possibilities of such events occurring could not now be ruled out. He further asked the Working Group to identify, in the light of the recent introduction into one mission area of new categories of equipment, a generalized approach that would allow the

Secretariat to develop fair reimbursement rates for new and unforeseen military items. He urged the Member States to develop their proposals for consideration by the General Assembly in a cooperative spirit of consultation and consensus.

9. The Chief, Finance Management and Support Service, Field Administration and Logistics Division, Department of Peace-keeping Operations, reported on the events occurring since the Phase II meeting and, in particular, the ad hoc group meeting held in the United Kingdom to assist the Secretariat in developing reimbursement rates for consideration by the Phase III Working Group. The work of the ad hoc group had included reimbursement rate proposals for both the wet and dry lease of major equipment and for self-sustainment, and the framing of proposals regarding loss and damage and allowances for extremes of environmental and operational risk, which would be presented to the Working Group for its consideration.

III. SUMMARY OF DISCUSSION AND PRESENTATIONS IN THE WORKING GROUP

Report of the Phase II Working Group

10. On the motion of Canada and with the acceptance of the Phase III Working Group, the report of the Phase II Working Group contained in document A/C.5/49/66 was accepted.

Assignment of issue paper and focal point responsibilities

11. The meeting delegates agreed to the assignment of issue focal point responsibilities shown in appendix V to the present report.

Report of the ad hoc group meeting held in the United Kingdom

12. The representative of the United Kingdom, which had acted as host of the ad hoc group of Member States (Canada, Denmark, Ireland, the Netherlands, Norway, the United Kingdom and the United States of America) and representatives of the Secretariat in late May and early June 1995 to develop rates of reimbursement for consideration by the Phase III meeting, provided a comprehensive overview of the processes followed and the results achieved at that meeting.

13. Data from each of the seven States, along with that provided by the Secretariat, had been used in determining averages that could be recommended with confidence. Despite difficulties with regard to different equipment and differing concepts of costing and logistics support, the results appeared to be fair. In addition to the challenge of ensuring equity, the ad hoc group had also sought to ensure that the rates produced were cost-effective for the United Nations. Consequently, a comparative model had been developed. When it had become apparent that the first round of discussions had yielded rates that appeared to exceed the model using existing reimbursement rates, the proposals had again been reviewed and subsequently reduced below the indicated current reimbursement rate level. The ad hoc group had held the view that significant additional savings would occur to the United Nations as a whole through the

reduction of resources allocated to the material control process once the new procedures were adopted. The ad hoc group, on the whole, accepted the rates and recommended their consideration by the Phase III Working Group.

14. The Canadian costing officer who had led the ad hoc group discussions on the development of major equipment wet and dry lease rates explained the criteria and methodology used. In achieving fairness, rates had been developed using four factors: generic fair market value of the equipment, the useful life of the item, the potential for loss or damage and, for wet lease arrangements, the costs of maintenance (consisting of spare parts and repairs). For each factor, the result had been an average of the data from the Member States attending the meeting.

15. The issues requiring direction from the Phase III Working Group in regard to wet and dry leasing of major equipment were an assessment of the fairness of the proposed rates, the adequacy of the provision for loss or damage, the method of handling freight and transportation costs, consideration of the environmental and operational risk allowance and the need to provide supporting financial information for some equipment items for which the member States attending the ad hoc group meeting held no data.

16. The Danish representative to the ad hoc group responsible for development of the reimbursement rates for self-sustainment explained that average rates for reimbursement for minor equipment, supplies and services had been developed and proposed taking into account the cost factors used by each member State in the ad hoc group. Given the different costing technologies used, it had been necessary to aggregate costs over a range of factors to arrive at useful comparisons and thus derive a consensus figure. While the ad hoc group was now able to recommend rates to the meeting for its consideration, it held the view that clearer definitions of the categories of reimbursement themselves and establishment of performance standards required to qualify for reimbursement were essential to ensure equity and validity of the process. As with major equipment, the rates proposed by the ad hoc group included a factor for loss or damage but did not include provision for transportation.

17. The Secretariat confirmed the findings of the ad hoc group that specific items of equipment need to be defined well enough that all parties to the discussions were addressing the same item and that there was a clear need for credible and measurable performance standards against which to assess eligibility for reimbursement. Within those constraints, the Secretariat was evaluating the proposed reimbursement rates against recent operational experience, including successful efforts to increase value for money by contracting out or by the direct provision of material and services by the United Nations. It was thus inevitable that the Secretariat assessment of some of the proposed rates might differ from the recommendations of the ad hoc group. The rates developed by the ad hoc group were accepted as the point of reference upon which the Working Group would conduct its deliberations and develop its recommendations for consideration by the General Assembly.

Performance standards and reimbursement rates for major equipment provided under a wet or dry lease

18. The Working Group extensively reviewed in focal point sessions and in plenary session the proposals developed by the ad hoc group for reimbursement of major equipment and related minor equipment and consumables provided under a dry or wet lease arrangement. The factors considered by the ad hoc group in its deliberations are described in paragraphs 13 and 14 above. The Working Group refined the recommendations of the ad hoc group, particularly with respect to maintenance costs. It was further pointed out that, overall, the new system would result in savings to the United Nations itself. The recommendations of the Working Group are contained in appendix I. The appendix consists of two parts: proposed performance standards and recommended reimbursement rates.

19. Performance standards for major equipment and its associated minor equipment and supplies are essential so that the United Nations can verify that a troop-contributing country has met its undertakings to provide such material in acceptable operational order. Some Member States commented that the standards might be difficult to achieve and maintain, but it was the consensus that a high standard should be set and reliance placed on validation staffs to apply the principle of "reasonability" expressed in appendix III, paragraph 5.

20. Based on extensive focal point discussions, revisions to the rates were undertaken. These changes primarily involved:

(a) Incorporation of the transportation factors provided under paragraph 30 below;

(b) Adjustment to the generic fair market value of armoured personnel carriers to incorporate the costs of member States not represented at the ad hoc group meeting;

(c) Incorporation of additional information provided by member States and the Secretariat to reduce the number of incomplete rates;

(d) Adjustment to the generic fair market value and estimated maintenance rates for electrical equipment to incorporate additional information provided by countries;

(e) Incorporation of a no-fault incident damage factor in the wet lease.

21. As requested by the Assistant-Secretary General, Office of Planning and Support, Department of Peace-keeping Operations (see para. 8 above), to assist in developing reimbursement rates for items of major equipment for which wet and dry lease rates have not been determined, an approach was developed covering each of the elements of the wet and dry lease.

Performance standards and reimbursement rates for self-sustainment

22. The Working Group agreed to reimbursement rates and performance standards for minor equipment, consumables and services provided by troop-contributing countries for the purpose of establishing the required level of self-sustainment

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in a mission area. These standards and rates were designed to replace existing reimbursement and survey procedures covering a wide range of equipments and services, and thereby ensure equity and reduce the workload of troop-contributing countries and the United Nations alike. The definitions of self-sustainment and the scope and conditions of reimbursement are contained in the report of the Phase II meeting. The proposed standards and recommended reimbursement rates are included in appendix II to the present report.

23. In order for the rates to be defensible, there must first be a high level of transparency in the methodology used, which itself must be consistent with the procedures used in establishing reimbursement rates for major equipment. That was achieved by using the same relative data bases for input factors and the same algorithm wherever possible. The second requirement was to ensure that eligibility for reimbursement be based on a comparison of a troop-contributing country's capabilities against an objective set of performance standards. In developing the standards in appendix II, five principles were followed: (a) performance statements were made functional and not equipment-specific; (b) fairness was achieved by establishing a high but equitable level of performance; (c) a firm baseline for a minimum acceptable level of performance was set; (d) the standards must themselves be verifiable in the mission area; and (e) the standards must be at a level and expressed in terms that are acceptable to all Member States. The Working Group felt that the standards proposed in appendix II passed those tests.

24. Similarly, criteria were established for the reimbursement rates for self-sustainment. The criteria were consistency and fairness, figures that were acceptable to all, but which might in practice vary largely from individual national experience, and the need to recommend for consideration by the General Assembly rates that were cost-effective. In developing rates that met those criteria, it was essential to ensure that no possibility of reimbursing a country twice for providing the same material or services existed. Given that the recommended rates covered a range of material and services, it was recognized that a troop-contributing country might meet only a portion of the factors and that the situation could change over time. Consequently, reimbursement to any one country on a per-troop basis might vary considerably, although the reimbursement for any one factor would be consistent among all countries. The capability to assess eligibility for reimbursement at the outset of a mission and throughout its execution has been included in the proposed verification and control procedures in appendix III. The rates recommended to the General Assembly in appendix II have been developed to meet the above criteria and to imbed the required flexibility to cater for changing circumstances.

Procedures for the verification and control of equipment, supplies and services

25. The Phase II Working Group recommended that the Secretariat establish, for consideration by Member States during Phase III, procedures for the verification and control of contingent-owned equipment, supplies and services. The purpose of such procedures would be to ensure that the terms of bilateral agreements between the United Nations and the troop-contributing country were met by both parties at the outset and throughout the period of effect of the agreement. Well-prepared procedures could be used as an incentive to ensure the compliance

by both parties in the interests of ensuring effective military forces in the mission area and fully justified reimbursement.

26. Recognizing that the eventual completion and issue of the procedures was the responsibility of the Secretariat, the Working Group considered that the principles and guidelines in the Phase II report remained valid, particularly the need for bilateral agreement to any inspections proposed for implementation within the troop-contributing country. The Working Group further expressed the desire that new procedures reflect the need for simplicity, economy and effectiveness. The terms of bilateral agreements could be assessed as met or not with the minimum expenditure in time and resources by both the United Nations and the country concerned. As an aid in ensuring simplicity, principles that applied to other areas of financial, administration and logistics matters, such as dispute resolution and reporting, should be common, reflecting the terms of the bilateral Agreement in place between the United Nations and the troop-contributing country.

27. The Working Group submitted its procedural proposals for consideration by the Secretariat for inclusion in future United Nations procedures. These proposals are contained in appendix III to the present report.

Draft model services agreement

28. The Working Group reaffirmed the recommendation in paragraph 54 of the report of the Phase II Working Group that the Secretariat develop a new model services agreement in consultation with Member States. The Working Group reaffirmed the conditions in paragraph 61 of the same report that the agreement should be limited to administrative, logistics and financial matters. Nevertheless, an implementation instrument, which could take the form of a contribution agreement between the United Nations and the troop-contributing country covering the areas of administration, logistics and finance, including the provision of personnel, would be important and would aid in introducing the initiatives proposed under the study. The Working Group welcomed the tabling of a draft contribution agreement, included as appendix IV to the present report, covering the scope of issues of interest to Member States. The Working Group expected that the draft agreement, when completed, would accompany the report on contingent-owned equipment to be submitted to the General Assembly. The process of developing the current draft would continue based on the report of the Working Group and would involve consultation with member States.

29. The Working Group, in welcoming the proposals of the Secretariat, recognized that the issue of compensation for death and disability was the subject of separate discussion in the legislative bodies of the United Nations, and recommended that the outcome of the decisions on the issue be incorporated in the agreement.

Reimbursement for the costs of transportation

30. The Working Group considered a range of proposals for reimbursement for the costs of transportation of deployment and redeployment, rotation and resupply of personnel, major equipment, minor equipment, consumables and spare parts. Given the variables concerning the costs of deployment, redeployment and periodic

troop rotations to standard monthly reimbursement rates, the Working Group considered that such transportation, if not provided directly by the United Nations, should continue to be reimbursed under the letter of assist procedure. The costs a country bears to provide spares and consumables has been added as a factor to both wet lease rates and the rates of reimbursement for self-sustainment. The factors proposed for each of the two reimbursement rates are shown hereunder:

(a) Major equipment wet lease rates. A factor of 2 per cent applicable to the estimated maintenance component of the wet lease rate, with increments of 0.25 per cent for each completed 500 miles or 800 kilometres (after the first 500 miles or 800 kilometres) from the port(s) of embarkation to the port of entry to the mission area;

(b) Self-sustainment rates. A comparable rate applicable to those elements of the self-sustainment rate for which the country qualifies for reimbursement.

31. Many Member States supported a proposal that the United Nations should provide reimbursement for the costs of inland transportation to the national port or ports of embarkation. Such an arrangement would ensure equity among compact and widely dispersed countries, whatever their economic circumstances. Noting that such proposals would constitute a new call on already scarce United Nations funds, the Secretariat would be required to identify the financial implications for General Assembly consideration. The Working Group agreed to recommend the proposal but considered that, if approved by the General Assembly, reimbursement for inland transportation should be limited to actual invoiced costs.

Reimbursement for loss and damage

32. The Working Group considered a number of alternative approaches to reimbursement for loss and damage of contingent-owned equipment. These alternatives were considered against factors such as the need for equity and simplicity, the desire to reduce the administrative burden and thus the number of claims and property survey boards, and to take into account the concept of shared risk between the United Nations and the troop-contributing country. Furthermore, arrangements should be within the broader context of major equipment dry and wet lease concepts and the reimbursement procedures for self-sustainment recommended for implementation elsewhere in the present report. The Working Group also endeavoured to develop an approach that was affordable and that recognized the need to determine liability in cases of major loss or damage. The Working Group took note of the comments and recommendations of the Office of the Legal Affairs in preparing its recommendations.

33. The Working Group developed an approach that balanced, in a reasonable way, the needs of equity, simplicity and control. The agreed approach involved the inclusion of incremental provisions in reimbursement rates, for both accidental loss or damage on the principle of a "no fault" arrangement and for loss or damage which was the result of hostile action above a threshold value. The Working Group was sensitive to the potential legal implications of the issue and the need to submit clear and defensible proposals to both national and United

Nations authorities and committees. Noting that Member States would consult their respective legal authorities and provide comments to the Secretariat by 31 August 1995, the Working Group proposed a reimbursement concept based on the structure shown below:

(a) Loss or damage owing to no-fault incidents. A variable insurance factor would be included in all major equipment wet or dry lease rates, and in the rates for reimbursement for self-sustainment, with no further claims to be submitted;

(b) Loss or damage owing to hostile action or forced abandonment. Troop-contributing countries would be responsible for major equipment loss or damage resulting from a single hostile action or forced abandonment where the loss was less than a threshold value of \$250,000. For major equipment loss or damage whose individual or collective value equalled or exceeded that threshold, troop-contributing countries would be able to seek United Nations reimbursement. A mission approved hostile action/forced abandonment factor, not to exceed 5 per cent, would be applied to the self-sustainment rates and the spares element of the wet lease rate to compensate for the cost of losses borne by contingents for minor equipment, spare parts and consumables.

During the discussions in the Working Group, it was clarified that, in the event of loss or damage up to the threshold value of \$250,000, the United Nations would not be responsible. However, in the event that the individual or collective value for major equipment loss or damage owing to hostile action or forced abandonment exceeded \$250,000, then the United Nations would be responsible for the whole amount of such loss or damage.

Reimbursement for extreme environmental and intensified operational conditions

34. The Working Group considered proposals to reimburse troop-contributing countries for the additional costs that they incur when providing personnel and equipment to operations in extreme environmental conditions and/or in intensified operational conditions. The recommended rate of reimbursement, for each of the environmental and intensified operational use conditions, would not exceed 5 per cent of the dry or wet lease or self-sustainment rate. The Working Group expected that such increments would only be authorized under conditions that would impose significant additional hardship and costs on a contingent. Specific reimbursement rates for environmental and intensified operational use conditions would be recommended by the initial United Nations technical survey team for approval within the mission budget and revised as required by changing circumstances. Compensation for costs borne by troop-contributing countries in those circumstances would be limited to the rates set by the General Assembly for that mission.

35. The Working Group pointed out that the provisions under which those factors would apply were distinct from the reimbursement procedures for the loss, damage or forced abandonment of equipment and supplies described in paragraph 33 above.

Letters of assist

36. The Working Group welcomed a clarification on the letter of assist procedures and how they could be affected by the recommendations of the Working Group on contingent-owned equipment. The Working Group asked the Secretariat to examine the possibility of increasing the threshold for submission of letters of assist to the Headquarters Committee on Contracts from \$70,000 to \$100,000. The Secretariat explained that that was an issue of internal delegation of authority and would be submitted to the appropriate United Nations office or department for consideration. The Working Group, noting that the number of letters of assist would be reduced under the new procedures, encouraged the Secretariat to continue to simplify the procedures further, such as by the preparation of a standard format for requesting the use of the procedure, and to speed the process of execution of the letters and the reimbursement to troop-contributing countries. The Working Group suggested that those and other changes to simplify the procedures should be implemented within one year.

Implementation planning

37. The Working Group assessed the feasibility of the General Assembly's establishment of an implementation date of 1 August 1995. The timetable originally set by the General Assembly for introduction could not be met and a realistic, though challenging, alternative must be set. Review of the work to be done within the United Nations indicated that the revised proposals should be available for review by the financial committees in September 1995, with General Assembly approval completed by the end of 1995.

38. Implementation planning must allow sufficient time for the preparation of documentation for consideration by the General Assembly, the preparation of revised procedures and regulations, some of which might require consultation with Member States, the introduction of budgetary measures within the revised United Nations cycle and the orderly introduction in both mission areas and Member States. That would allow introduction of transitional arrangements in January 1996. However, the need for training and for budget preparation under the revised procedures could only start in early 1996, with full implementation beginning in the budget cycle starting on 1 July 1996.

39. To be successfully implemented, considerable work must be completed within the Secretariat in August 1995, and more thorough implementation plans developed during the autumn.

40. Revisions to the procedures and rates would undoubtedly be required. Such revisions should be considered, after an initial period of validation, on a biennial basis.

IV. RECOMMENDATIONS OF THE WORKING GROUP

Report to the General Assembly

41. The direction of the General Assembly in resolution 49/233 A for the second and third phases of the study on contingent-owned equipment has been achieved. The Secretariat is now requested to prepare a comprehensive report to the Assembly, including the recommendations for changes to reimbursement procedures and methodology contained in the two reports. The Secretariat is also requested to take into account, for inclusion in United Nations procedures where they apply, the proposals of the Working Group in the two reports that do not require the specific approval of the Assembly. Finally, the Secretariat is requested to advise the Assembly, in its report, of those areas considered in the two reports that may fall beyond the specific mandate of the study but which, in the view of Member States, have a direct bearing on improving reimbursement procedures for contingent-owned equipment.

Performance standards and reimbursement rates for major equipment provided under a wet or dry lease

42. The Working Group recommends that:

(a) The performance standards in appendix I be considered for acceptance as a valid means of verification;

(b) The wet and dry lease reimbursement rates outlined in appendix I be accepted;

(c) The Secretariat continue to refine the description of equipment types to ensure common understanding;

(d) The Secretariat use the suggested elements outlined in appendix I as a basis for developing reimbursement rates for special and unforeseen cases.

Performance standards and reimbursement rates for self-sustainment

43. The Working Group recommends that:

(a) The performance standards for determining self-sustainment contained in appendix II be used by the Secretariat as a basis for verifying eligibility for reimbursement under the dollar-rate system;

(b) The rates of reimbursement for self-sustainment contained in appendix II be approved.

Verification and control procedures

44. A valid and objective verification process is a critical element in determining fair and equitable reimbursement. It must be cost-effective in its execution. It is recommended that:

(a) The principles and procedures in appendix III be accepted for consideration as a reasonable basis upon which the Secretariat may develop completed procedures;

(b) Once agreed, and with General Assembly approval of the reimbursement rates and conceptual approach for contingent-owned equipment, the procedures be introduced by the Secretariat in the appropriate form;

(c) Implementation planning be full and comprehensive so that all missions, troop-contributing countries and other bodies affected by that change are fully advised in advance and that implementation is effectively achieved with minimum disruption.

Draft model services agreement

45. The Working Group, in accepting a Secretariat presentation of a proposed "contribution agreement" as a sound basis upon which to proceed, recommends that Member States be allowed until 31 August 1995 to provide the Secretariat with their observations and comments on the document. The Working Group further recommends that matters that may be beyond the scope of the study, in particular compensation for death and disability, and that are under consideration in other United Nations legislative bodies, be incorporated in the agreement when agreed upon by the responsible authority.

Reimbursement for the costs of transportation

46. The Working Group recommends that reimbursement for the transportation of contingent-owned equipment and supplies, throughout all phases of a mission and for all categories of equipment (both major and minor) and materials, be reimbursed on the following basis:

(a) Transportation costs related to deployment and redeployment or recovery continue to be met by the United Nations, either directly or under a letter of assist, but that eligibility include costs incurred in respect of movement to and from an external port by land-locked countries;

(b) The transportation costs of vehicle/other major equipment spare parts and consumables be covered under the wet lease system;

(c) The monthly estimated maintenance rate within the wet lease rates for major equipment be increased by 2 per cent to cover such costs; and that the 2 per cent rate be increased by 0.25 per cent for each complete 500 miles or 800 kilometres (after the first 500 miles or 800 kilometres) along the consignment route between the port of embarkation and the port of entry to the mission area;

(d) A proposal be considered by the General Assembly to reimburse the actual cost of inland transportation of major equipment from its normal operating location to an agreed port of embarkation, subject to the presentation of validated claims;

(e) No separate reimbursement for transportation of spares be provided for beyond that in wet lease rates;

(f) Costs related to the rotation of equipment to meet national operational or maintenance requirements will remain ineligible for reimbursement;

(g) Costs related to the transportation of minor equipment and consumables provided for under the self-sustainment system be included in the self-sustainment rate.

Reimbursement for loss or damage

47. The Working Group, noting the legal implications surrounding the issue and the concerns of the Office of Legal Affairs, recommends that reimbursement for loss or damage be based upon the following guidelines:

(a) Troop-contributing countries be reimbursed on the basis of a no-fault incident factor. For major equipment, this factor should be applied to the dry or wet lease rates in accordance with the designated risk for individual equipment. The factor in the dry lease system should be lower than in the wet lease system, as the dry lease factor will only cover losses, whereas the wet lease factor will cover both loss and damage. A no-fault incident factor should also be applied to the self-sustainment rates for minor equipment and consumables. The percentage should be in accordance with the designated risk for the categories of material and services. For special equipment, not currently incorporated into the wet and dry lease system, special arrangements between the United Nations and the country should apply;

(b) That for loss or damage owing to hostile action or forced abandonment:

- (i) A threshold for consideration of an exceptional case be established at a generic fair market value of \$250,000;
- (ii) In cases of major equipment loss or damage resulting from a single hostile action or forced abandonment, troop-contributing countries will assume liability for each and every item of equipment with a generic fair market value below the threshold;
- (iii) The United Nations reimburse for loss or damage (on the basis of subpara. (v) below) resulting from a single hostile action or abandonment for each and every item of major equipment equal to or above the threshold value;
- (iv) The United Nations reimburse in full (on the basis of subpara. (v) below) for loss or damage resulting from a single hostile action or abandonment for major equipment whose collective value is equal to, or above, the threshold value;
- (v) The method of calculation for reimbursement for total loss of major equipment be the generic fair market value less the equipment use

charge and any other environmental and intensified operational use payment made by the United Nations for that equipment;

- (vi) Where equipment is provided under a wet lease arrangement, the method of calculation for damage be the reasonable cost of repair. Equipment which has suffered damage should be considered a total loss when the cost of repair exceeds 75 per cent of the generic fair market value;
 - (vii) A mission-approved hostile action/forced abandonment factor be determined by the technical survey team at the initiation of the mission. This factor should be applied to each category of the self-sustainment rates and the spares element or one half of the estimated maintenance rate of the wet lease rate. This factor should not exceed 5 per cent. The same factor should apply to all troop-contributing countries and should be indicated in the guidelines for the mission concerned;
 - (viii) For special equipment, not currently incorporated into the wet and dry lease system, special arrangements between the United Nations and the troop-contributing country apply;
- (c) The United Nations not have responsibility for reimbursement where loss or damage is due to wilful misconduct or negligence by members of the troop contributing country (as determined by a board of inquiry convened by the head of mission);
- (d) In the event of the United Nations not meeting its full liability under the lease system, total responsibility for loss or damage owing to no-fault incidents to contingent-owned equipment and supplies revert to the United Nations;
- (e) The United Nations examine the possibility of obtaining insurance to cover it or the contributing country against loss or damage of equipment above \$250,000 arising from hostile action or abandonment.

48. The Working Group requests that Member States review the legal aspects of this issue and provide their observations and comments to the Secretariat by 31 August 1995. The Working Group requests that the Secretariat use the definitions outlined in appendix VI as a basis for finalization and inclusion in the contribution agreement.

Reimbursement for extreme environmental and intensified operational conditions

49. It is recommended that increments to the reimbursement rates for major equipment and for self-sustainment for extreme environmental and operational conditions be considered by the General Assembly for inclusion in mission budgets developed after a technical survey. Increments are recommended for the following extreme conditions that result in shorter equipment life and increased maintenance costs, with the increments applicable to all contingents in a mission area, and subject to subsequent review should circumstances change. These factors would be:

(a) An environmental factor not to exceed 5 per cent, to take into account the increased costs borne by a troop-contributing country for extreme mountainous, climatic and terrain conditions;

(b) An intensified operational use factor not to exceed 5 per cent, to compensate troop-contributing countries for increased costs resulting from the scope of the task assigned, the length of logistics chains, non-availability of commercial repair and support facilities and other operational hazards and conditions.

Note that the total of the above two factors would not exceed 10 per cent, and that it is foreseen that such increments would only be proposed under conditions of significant anticipated additional costs to a contingent.

Letters of assist

50. The Working Group recommends that the Secretariat:

(a) Continue to review the existing procedures during the course of the next 12 months, which could lead to simplifying the procedures in order to reduce the number of steps involved in the processing letters of assist;

(b) Consider increasing the threshold for submission of letters of assist to the Headquarters Committee on Contracts to \$100,000.

Implementation planning

51. The Working Group recommends that:

(a) The General Assembly approve the new reimbursement methodology and procedures by the end of 1995 in order to allow the system to be fully implemented in the budgetary period commencing 1 July 1996;

(b) For missions activated prior to 1 July 1996, in accordance with paragraph 55 of the Phase II report, troop-contributing countries have the option to accept reimbursement under either the new or the old reimbursement methodology;

(c) Reimbursement rates for major equipment wet and dry leases, self-sustainment rates and associated provisions for loss, damage and environmental and intensified operational use be reviewed by the Secretariat at the end of the first 12-month period for initial validation and biennially thereafter.

V. PHASE IV

Completion of Phases II and III

52. Phases II and III of the study of contingent-owned equipment are complete with the agreement to and submission of this report by the Member States of the Working Group. In accordance with the annex to resolution 49/233 A, the Secretariat will now proceed to the implementation phase, Phase IV.

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Timetable for Phase IV

53. The original timetable of 1 August 1995 established by the General Assembly for the commencement of Phase IV of the study on contingent-owned equipment cannot now be met and a revised timetable of 1 July 1996 has been recommended. This timetable takes into consideration the need for further consultation with Member States on a number of issues and the time required to obtain approval of the General Assembly to the proposals for revised reimbursement procedures and rate structures. This revised timetable also takes into account the time required under revised budgetary cycles to implement the required changes.

Further assistance of Member States

54. Member States offered their assistance to expedite completion of the final report to the General Assembly. This includes any further validation of the recommended reimbursement rates contained in the present report as well as assistance with the overall implementation process.

APPENDIX I

A. Proposed performance standards for reimbursement for major equipment under dry and wet lease

1. There are verifiable standards by which both dry and wet lease rates are applied and subsequently paid. The following standards, and associated definitions, are designed to clarify the equipment listed in section B of the present appendix. These standards are designed to be generic in nature to fit the widest range of equipment.

2. The following principles are applicable to all equipment:

(a) Equipment arriving in theatre must be in a serviceable condition for use in its primary role. Any requirement to assemble the equipment owing to shipping constraints will be completed as part of the deployment process. This will include the addition of petrol, oil and lubricants removed for the purpose of transportation;

(b) All associated minor equipment, checklist or load list items, required for use with the equipment in the performance of its role, will accompany the equipment or be in clearly identifiable cargo for inclusion with the equipment on arrival in theatre;

(c) Under wet lease reimbursement, the contributor is responsible for the provision of replacement equipment, spare parts, maintenance and contracted repair. A basic 2 per cent transportation factor for the resupply of spare parts and consumables is included in the wet lease rate. The incremental transportation factor, 0.25 per cent of the estimated maintenance rate for each complete 500 miles (beyond the first 500 miles) along the consignment route between the port of embarkation and the port of entry to the mission area, will be applied separately by the contributor and the United Nations when finalizing the wet lease rates in the agreement prior to deployment;

(d) To meet serviceability standards, contingents have the option to maintain an overstock of up to 10 per cent of the agreed authorized quantities and have this overstock deployed and redeployed with the contingent. A troop-contributing country will not receive wet or dry lease reimbursement for overstocks;

(e) All costs associated with preparing equipment for deployment to a mission under a wet or dry lease (e.g., painting, United Nations markings, winterizing) and returning equipment to national stocks at the conclusion of a mission (e.g., repainting to national colours) will be reimbursed on a bilateral basis between the contributor and the United Nations. Reimbursement will be based on actual costs incurred. The costs of repair, however, are not reimbursable when equipment is provided under a wet lease as this factor is included in the wet lease rate;

(f) As a no-fault incident factor is included in the wet and dry lease rates, contributors cannot file claims against the United Nations or other

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troop-contributing countries for loss or damage owing to no-fault incidents. A no-fault incident includes, inter alia, vehicle accidents and thefts, when the loss or damage is a result of hostile action arising from a single incident or forced abandonment resulting from a decision approved by the force commander, his authorized representative or as provided for in the rules of engagement for the mission area. Troop-contributors may only file claims against the United Nations when the generic fair market value of major equipment lost or damaged, single item or group of items, is \$250,000 or greater. A troop-contributing country cannot file claims against the United Nations for loss or damage to spare parts and minor equipment. These are covered by the mission-approved hostile action/abandonment factor, which is applied to the spare parts component of the wet lease as well as the self-sustainment rates;

(g) In the event a troop-contributing country is requested to provide a specialist unit for unique or force-level tasks that exceed standard equipment use rates, a bilateral agreement may be required between the troop-contributing country and the United Nations. This agreement may set a new reimbursement rate, even if a specific piece of major equipment has already been given a standard rate;

(h) A "reasonability" view is to be employed when assessing whether a performance standard has been met. Troop-contributing countries and the United Nations should not be penalized when non-performance results from the operational situation in the mission area.

Communications equipment

3. The provision of communications equipment for dry/wet lease reimbursement will be applied to communications units providing services on a force level, that is, above the battalion or unit level. The service must be available to all units as designated by the mission headquarters and should be included in the agreement signed for the provision of the service. The agreement should specify the technical specifications to be used.

4. The initial equipment list will be sufficient to provide the basic communications network desired by the mission. A back-up capability will be retained in theatre to ensure uninterrupted service. The back-up equipment will deploy and redeploy with the contingent.

5. When higher-level communication capabilities are required by non-communication units and are not reimbursable under the self-sustainment rate for communications (e.g., INMARSATs), the equipment must be authorized under the agreement and is reimbursable as major equipment in the same manner as for a communications unit.

Electrical

6. The rates in this category are for equipment used in the provision of main source power generation for base camps, company or larger dispersed locations, or specialist units requiring power sources greater than 20 KVA (e.g., medical facilities, maintenance workshops). The rates include wiring harnesses and cabling to connect end users and all associated minor equipment and consumables.

Lighting fixtures, accommodation circuits and wiring are reimbursable under the electrical self-sustainment rate.

7. Base camp main generators will have a back-up capability running in parallel. The combination of the output of the two generators is used to determine the rate. In this case, an uninterrupted "around-the clock" capability is required for all base camp main generators. Related wiring and cabling, circuit panels and transformers are to be repaired or replaced within two hours. Single generators (i.e., not running in parallel) will operate with a maximum of three hours of servicing, refuelling or repair within a 24-hour period.

Engineering

8. The rates will be paid for major equipment used in engineer tasks in support of contingents or the force. The unit and its capability must be authorized under the agreement.

9. Engineer equipment will be maintained to ensure its immediate availability for use as deployed.

Medical and dental

10. As the major equipment rates apply to specifically designed second and third line medical units authorized under the agreement, rates are to be determined based on the development of a standard for the provision of force-level medical support. The basic standard will be an appropriate level of equipment to provide treatment, surgical, dental, pharmacy, blood processing, X-ray and laboratory capability.

11. Rates are based on equipment that provides lifesaving, diagnostic and therapeutic care to casualties in the mission area. Intermediate level and above patient care will be provided. Equipment will be provided and maintained in a sterile and operational condition to permit the unit to provide uninterrupted medical support.

Observation equipment

12. Under a wet lease, observation equipment will be maintained to ensure "round the clock" operability at all observation outposts. Routine calibration of equipment must be performed.

13. Under a dry lease, the United Nations is responsible for the immediate exchange of defective equipment on a one-for-one basis to ensure round the clock operability at all observation outposts.

Accommodation

14. Semi-rigid structures are soft-sided, hard frame facilities that can be moved (i.e., dismantled and shipped). Rigid structures are hard walled or prefabricated metal facilities that may be attached to local utilities/services, but can be easily disconnected, dismantled and moved.

15. Containers are mobile shelters used for a specific service/purpose. There are three basic types: truck mounted; trailer mounted; and sea containers. Truck mounted containers can be dismounted and operated separate from the vehicle. Trailer mounted containers need not be dismounted, but will not be reimbursed as a trailer in the vehicle category. Sea containers must be maintained in accordance with international transportation standards (i.e., certified for shipping) in order to receive reimbursement. If a container is used as part of the support provided under a self-sustainment rate (e.g., dental), the container is not reimbursable as major equipment.

16. The accommodation rates include all minor equipment and consumables associated with the primary function of the facility.

Aircraft

17. Owing to the special case nature of aircraft, performance criteria (e.g., readiness, flying hours, lift capability and combat capability) will be developed at the time of agreement and will specify standards necessary to receive reimbursement.

Armaments

18. Crew served weapons must be operationally serviceable at a 90 per cent rate. Serviceability includes sighting and calibration of the weapons and periodic test firing as permitted in the mission area. Ammunition for test firing is a consumable and is included in the wet lease maintenance rate. When the United Nations provides weapons, they will provide spare parts stockage to maintain the operational serviceability standard.

19. Operational ammunition will be reimbursed based on actual expenditures in the mission area, using the quantities recorded in commanders' reports at the conclusion of individual operations. Contingent-owned operational stocks will be redeployed upon completion of the contingent's mission. Should operational stocks deteriorate to such an extent that they are no longer usable, the United Nations will reimburse a troop-contributing country for such ammunition. A troop-contributing country is responsible to deploy ammunition with an expected useful life in excess of the anticipated mission length.

Naval vessels

20. Owing to the special case nature of naval vessels, performance criteria (e.g., readiness, sea days, lift capability and military capability) will be developed at the time of agreement and will specify standards necessary to receive reimbursement.

Vehicles

21. Commercial pattern vehicles are those vehicles that are readily available from a commercial/retail source. Military pattern vehicles are specifically engineered and designed according to precise military specifications and are built to satisfy particular military mission applications. In cases where the original vehicle is of a commercial pattern and significant changes (i.e., major

component redesign and installation) are made, the vehicle may be considered as "military pattern" for reimbursement purposes under contingent-owned equipment.

22. The reimbursement rates applied to vehicles authorized in the model agreement include all minor equipment, checklist items and consumables (less fuel) associated with the vehicle.

23. Under the conditions of a wet lease, when the total number of operationally serviceable vehicles (i.e., available for use) is less than 90 per cent of the contracted agreement quantity in a vehicle subcategory, the reimbursement payment will be reduced appropriately. A vehicle will be considered operationally unserviceable if it is unavailable for normal mission use for a period of time in excess of 24 hours. Limited operational stocks are designed to provide immediate replacement for vehicles lost or damaged beyond in-theatre repair capability.

24. Under the conditions of a dry lease, the vehicle will be provided in an operationally serviceable condition with all minor equipment and checklist items. Damage in transit will be the responsibility of the United Nations, for all shipments it arranges, to repair before the vehicle is considered ready for service under the Agreement. Liability for loss or damage during transportation, until arrival in the mission area, will be assumed by the contributor in those cases where transportation is arranged under a letter of assist. The United Nations is responsible for returning the vehicle to the contributor in the same level of operational serviceability, with all minor equipment and checklist items, as when provided.

25. Under the conditions of a dry lease, the United Nations will maintain operational serviceability at a minimum rate of 90 per cent of the agreed quantity in a vehicle subcategory. A vehicle will be considered operationally unserviceable if it is unavailable for normal mission use for a period of time in excess of 24 hours. Serviceability below 90 per cent will require downward adjustments to contingent tasks/missions without a corresponding reduction to other reimbursements adversely affected by reduced activity rates.

26. The maintenance costs for dry lease vehicles should not exceed the associated maintenance rate under a wet lease. When this situation occurs, an initial assessment will determine if the cost overrun is attributable to environmental or operational factors. If this is not the case, the United Nations may reduce the dry lease reimbursement rate accordingly.

27. Weapons systems on all vehicles are to be serviced to ensure the capability to perform the mission is maintained. On combat vehicles, operational serviceability is required for the main weapon and its associated fire control system. If either the weapon itself or the fire control system is inoperable, then for reimbursement purposes the vehicle is not serviceable.

28. To be considered serviceable for United Nations operations, all vehicles must be painted white with appropriate United Nations markings. If this painting is not completed before deployment, reimbursement may be withheld until the standard is reached. An exception to this requirement may be authorized by the United Nations.

B. Recommended reimbursement rates for major equipment under a dry or wet lease a/

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease c/		
COMMUNICATIONS EQUIPMENT							
VHF/UHF - FM TRANSCEIVERS							
Air-ground base station transceivers AM/FM	30,000	7	258	362	620	0.2%	
Microwave links	73,000	10	501	621	1,122	0.2%	
Mobile stations for trunking systems	500	9	5	5	10	0.2%	
Paging Equipment	2,000	10	19	17	36	0.2%	
Portable MTSX for trunking	2,000	8	19	21	40	0.2%	
Repeaters	3,100	7	22	37	59	0.2%	
VHF Alarm units	2,000	9	11	19	30	0.2%	
VHF Multiplex Channels	49,500	10	140	421	561	0.2%	
HF EQUIPMENT							
Antennas. Log periodic - directional high power	22,500	25	7	79	86	0.2%	
Base receiver, HF High Power	7,500	7	22	91	113	0.2%	
Base station transmitter , HF High Power	20,000	7	35	241	278	0.2%	
Phone patch interlink	SPECIAL CASE						
SATELLITE EQUIPMENT							
Earth Station - non-redundant	SPECIAL CASE						
Earth Station - redundant	SPECIAL CASE						
Earth Station Hub	SPECIAL CASE						
Earth Station Sub Hub	SPECIAL CASE						
INMARSAT TYPE A - Portable Earth Station	41,500	7	32	511	543	0.5%	
INMARSAT TYPE M - Portable Earth Station	18,500	7	29	228	257	0.5%	
INMARSAT TYPE C - Portable Earth Station	13,000	7	23	160	183	0.5%	
Satellite receivers / TVRO	150,000	9	142	1,414	1,556	0.2%	
UPS satellite station	500	9	5	5	10	0.2%	
VSAT Earth Station, Global TX/RX	200,000	9	199	1,895	2,084	0.2%	

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease c/		
TELEPHONE EQUIPMENT							
Telephone exchange large, 1 - 1100 lines	400,000	15	98	2,289	2,387	0.2%	
Telephone exchange PABX 1 - 100 lines	65,000	12	48	462	510	0.2%	
Cryptofax	3,200	7	4	39	43	0.2%	
Cyphering Equipment	SPECIAL CASE						
AIRFIELD SUPPORT EQUIPMENT							
Radar	1,008,000	10	2,899	8,568	11,467	0.2%	
Approach systems/lighting	SPECIAL CASE						
Control Tower	4,200,000	20	12,131	18,200	30,331	0.2%	
Navigation systems	1,869,000	10	5,511	15,887	21,398	0.2%	
MISCELLANEOUS							
Underwater communication systems	SPECIAL CASE						
Antenna towers	5,000	20	11	22	33	0.2%	
UPS 10KVA and up	8,000	10	82	68	150	0.2%	
ELECTRICAL							
GENERATORS - STATIONARY AND MOBILE							
20KVA to 30KVA	36,400	8	127	394	521	0.5%	309
31KVA to 40KVA	40,000	12	129	294	423	0.5%	432
41KVA to 50KVA	54,000	12	166	398	564	0.5%	555
51KVA to 75KVA	64,000	12	179	471	650	0.5%	771
76KVA to 100KVA	72,000	12	200	530	730	0.5%	1080
101KVA to 150KVA	80,000	15	270	458	728	0.2%	1543
151KVA to 200KVA	100,000	15	378	572	950	0.2%	2160
201KVA to 500KVA	152,000	15	505	870	1,375	0.2%	3086
greater than 500KVA	SPECIAL CASE						

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Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations petrol, oil and lubricants
				Dry lease <u>h</u> /	Wet lease <u>c</u> /		
ENGINEERING							
Assault boat & motor (Zodiac type)	14,000	8	128	152	280	0.5%	240
Bridging Sets (Bailey or equivalent)	400,000	40	4,913	867	5,780	0.1%	
Well Drilling Rig	381,000	20	1,533	1,746	3,279	0.5%	200
Quarry Equipment, complete	SPECIAL CASE						
Reece Boats	29,000	10	248	254	502	0.5%	258
Sewage treatment plant and equipment	35,000	15	39	209	248	0.5%	
Bridging Boat	159,000	25	1,054	596	1,650	0.5%	775
Water treatment plant, equipment, tanks and bladders	85,000	12	93	626	719	0.5%	
Pontoons/Pontoon Bridge (interior/ramp section)	400,000	10	593	3,500	4,093	0.5%	
Ferry Boats (River crossing)	588,000	20	1,023	2,695	3,718	0.5%	900
Scissor/cantilever type bridge (up to 20m)	90,200	10	539	789	1,328	0.5%	
LOGISTICS EQUIPMENT							
Fuel Farm (pumps, pipelines, tanks, bladders)	32,000	10	63	280	343	0.5%	40
DEMINEING EQUIPMENT							
Remote controlled bomb disposal equipment	SPECIAL CASE						
MEDICAL AND DENTAL							
	ALL SPECIAL CASES						
Dental unit							
Dispensary set							
100 Bed Field Hospital & Equipment							
Laboratory equipment							
Oxygen equipment							

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease h/	Wet lease c/		
Sterilizing							
Surgical theatre and unit							
X-Ray machine							
Refrigeration, blood products							
Anesthesia Equipment							
OBSERVATION EQUIPMENT							
AREA EQUIPMENT							
Artillery Locating Equipment							
Ground surveillance radar/system							
Thermal imaging systems - Aerial version	120,000	8	438	1,270	1,708	0.2%	
Thermal imaging systems - Ground version	100,000	8	429	1,058	1,487	0.2%	
PERSONAL EQUIPMENT							
Night Observation Devices - tripod mounted	12,000	8	18	130	148	0.5%	
Binoculars - Tripod Mounted	7,500	10	10	66	76	0.5%	
ACCOMMODATION EQUIPMENT							
SEMI-RIGID STRUCTURES							
Camp unit, medium (50 man)	30,000	5	118	505	623	0.2%	
Camp unit, large (150 man)	600,000	8	2,090	6,350	8,440	0.2%	
Maintenance workshop	30,000	7	118	362	480	0.2%	
Office, communications and command posts	30,000	7	118	362	480	0.2%	
Warehousing and storage	30,000	7	118	362	480	0.2%	
RIGID STRUCTURES							
Camp unit small (5 man)	5,000	12	36	36	72	0.2%	

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease h/	Wet lease g/		
Camp unit, medium (50 man)	75,000	15	431	429	860	0.2%	
Camp unit, large (150 man)	315,000	15	1,811	1,803	3,614	0.2%	
Office, communications and command posts	19,000	15	109	109	218	0.2%	
Ablution facilities (50 man)	9,100	10	78	77	155	0.2%	
CONTAINERS							
Medical	SPECIAL CASE						
Dental	SPECIAL CASE						
Workshop	57,000	9	137	537	674	0.2%	
Refrigeration/Freezer/Food storage	30,000	6	48	422	470	0.2%	
Insulated storage	46,000	12	43	327	370	0.2%	
Ammunition storage	22,400	9	37	211	248	0.2%	
Communications and command posts	146,000	12	183	1,075	1,258	0.5%	
Other containers	7,200	10	7	61	68	0.2%	
AIRCRAFT							
ALL AIRCRAFT WILL BE TREATED AS SPECIAL CASES							
ARMAMENTS							
Crew served machine guns (up to 10mm)	7,600	25	6	29	35	0.5%	
Crew served machine guns (11 to 15mm)	13,000	25	8	49	57	0.5%	
Mortars (up to 60mm)	2,000	25	4	8	12	0.5%	
Mortars (61mm to 82mm)	10,000	25	8	38	46	0.5%	
Mortars (83mm to 122mm)	18,000	25	12	68	80	0.5%	
Recoilless gun	15,000	25	18	56	74	0.5%	
Anti-air weapons	SPECIAL CASE						
Anti-air missile	SPECIAL CASE						

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease \$/	Wet lease \$/		
Anti-armour missile	SPECIAL CASE						
Howitzer light towed	SPECIAL CASE						
Howitzer medium towed	SPECIAL CASE						
NAVAL VESSELS							
ALL NAVAL VESSELS WILL BE TREATED AS SPECIAL CASES							
VEHICLES							
COMBAT VEHICLES							
Tanks	SPECIAL CASE						
Tanks, launch bridge	SPECIAL CASE						
Tanks, mine clearing	SPECIAL CASE						
Tanks, recovery	SPECIAL CASE						
Tanks, engineer vehicle	SPECIAL CASE						
Armoured Infantry Fighting/Airborne/Special	SPECIAL CASE						
Armoured Personnel Carriers - tracked							
Infantry Carrier - unarmed/dozer	528,750	25	3,289	1,983	5,272	0.5%	525
Infantry Carrier - armed	554,313	25	3,708	2,079	5,787	0.5%	525
Missile equipped	987,000	15	5,480	5,895	11,375	0.5%	300
Mortar	554,313	25	2,169	2,079	4,248	0.5%	300
Recovery	776,438	25	2,728	2,912	5,640	0.5%	375
Air-Defence	SPECIAL CASE						
Command post	927,938	25	2,440	3,325	5,765	0.3%	150
ALO/FAC/Arty	SPECIAL CASE						
RADAR	SPECIAL CASE						
Ambulance/rescue	618,625	25	2,695	2,320	5,015	0.5%	375
Cargo	505,000	25	3,698	1,894	5,592	0.5%	525

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease g/		
Armoured Personnel Carriers - wheeled							
Infantry Carrier - unarmed	505,000	25	2,734	2,104	4,838	1.0%	450
Infantry carrier - armed	554,313	25	3,232	2,310	5,542	1.0%	450
Missile equipped	940,000	15	3,875	6,006	9,881	1.0%	225
Mortar	517,000	25	1,716	2,154	3,870	1.0%	225
Recovery	568,125	25	3,238	2,367	5,605	1.0%	450
Air Defence	SPECIAL CASE						
Command post	694,375	25	1,149	2,488	3,637	0.3%	75
ALO/FAC/Arty	SPECIAL CASE						
RADAR	SPECIAL CASE						
Ambulance/rescue	505,000	25	2,388	2,104	4,492	1.0%	338
Carrier - Oversnow							
Infantry Carrier	160,000	15	2,851	956	3,807	0.5%	105
Infantry carrier - armoured	251,000	20	4,084	1,150	5,234	0.5%	263
General purpose (snowcat)	36,900	15	1,333	214	1,547	0.3%	146
Missile equipped	660,000	12	4,303	4,748	9,051	0.3%	60
Command post	214,000	15	1,195	1,242	2,437	0.3%	30
Reconnaissance vehicle - tracked	255,000	22	3,646	1,072	4,718	0.5%	438
Reconnaissance vehicle - wheeled up to 25mm	251,000	25	3,715	1,046	4,761	1.0%	600
Reconnaissance vehicle - wheeled over 25mm	350,000	25	3,756	1,458	5,214	1.0%	600
Reconnaissance vehicle - wheeled over 50mm	622,250	25	4,326	2,593	6,919	1.0%	600
Reconnaissance vehicle - wheeled over 100mm	SPECIAL CASE						
Self-Propelled Artillery							
Light Howitzer	900,000	30	1,412	2,575	3,987	0.1%	45
Medium Howitzer	1,000,000	30	1,575	2,861	4,436	0.1%	45
Heavy Howitzer	SPECIAL CASE						
SUPPORT VEHICLES (COMMERCIAL PATTERN)							
All-terrain vehicle	6,000	5		5	104		1
Ambulance - Truck	48,000	8	285	285	532		80

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Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease h/	Wet lease c/		
Ambulance - Armoured/Rescue	150,000	10	199	1,350	1,549	0.8%	96
Ambulance (4x4)	66,000	8	509	732	1,241	0.8%	80
Automobile, Sedan/Station wagon	10,000	5	109	173	282	0.8%	120
Automobile (4x4)	14,000	8	357	155	512	0.8%	300
Buses (12 PAX and less)	24,000	5	477	416	893	0.8%	300
Buses (13-24 PAX)	35,000	8	692	388	1,080	0.8%	240
Buses (greater than 24 PAX)	120,000	12	786	913	1,699	0.8%	200
Snow mobile	6,000	6	5	87	92	0.8%	1
Motorcycles	3,000	4	17	65	82	0.8%	6
Truck utility/cargo (under 1.5 ton)	17,000	5	226	295	521	0.8%	240
Truck utility/cargo (1.5 to 2.4 ton)	25,000	7	253	314	567	0.8%	300
Truck utility/cargo (2.5 to 5 ton)	40,000	8	295	443	738	0.8%	360
Truck utility/cargo (6 to 10 ton)	70,000	10	503	630	1,133	0.8%	400
Truck utility/cargo (over 10 tons)	120,000	12	734	913	1,647	0.8%	400
Truck pallet loading	53,000	12	948	403	1,351	0.8%	480
Truck maintenance light	45,000	5	235	780	1,015	0.8%	240
Truck maintenance medium	75,000	8	142	831	973	0.8%	150
Truck maintenance heavy	220,000	12	241	1,674	1,915	0.8%	140
Truck water	80,000	12	602	609	1,211	0.8%	504
Truck, crane, up to 10 tons	128,000	20	157	619	776	0.8%	100
Truck, crane heavy lift, up to 25 tons	176,000	20	232	851	1,083	0.8%	100
Truck, recovery, 5 tons	126,000	10	535	1,134	1,669	0.8%	270
Truck, refrigerator	53,500	10	56	482	538	0.8%	34
Truck, tanker (up to 10,000 litres)	90,000	12	1,515	685	2,200	0.8%	1440
Truck, tanker (over 10,000 litres)	145,000	15	1,679	902	2,581	0.8%	1520
Truck, tractor	90,000	12	948	685	1,633	0.8%	540
Truck tractor heavy (over 50 ton cap)	160,000	15	626	996	1,622	0.8%	1950
SUPPORT VEHICLES (MILITARY PATTERN)							
Motorcycles	8,000	8	93	89	182	0.8%	48

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Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease g/		
Ambulance	80,000	10	330	720	1,050	0.8%	140
Jeep (4x4) with military radio	35,000	10	899	315	1,214	0.8%	300
Truck utility/cargo (jeep type) (under 1.5 ton)	30,000	10	738	270	1,008	0.8%	300
Truck utility/cargo (1.5 to 2.4 ton)	42,000	10	741	378	1,119	0.8%	300
Truck utility/cargo (2.5 to 5 ton)	67,000	10	850	603	1,453	0.8%	360
Truck utility/cargo (6 to 10 ton)	120,000	14	1,093	794	1,887	0.8%	480
Truck utility/cargo (over 10 tons)	152,000	17	1,005	846	1,851	0.8%	344
Truck maintenance light	75,000	10	980	675	1,655	0.8%	360
Truck maintenance medium	100,000	14	472	662	1,134	0.8%	200
Truck maintenance heavy	251,000	17	501	1,398	1,899	0.8%	151
Truck water	158,000	20	934	764	1,698	0.8%	336
Truck, crane, up to 10 tons	120,000	18	185	636	821	0.8%	70
Truck, crane (10 to 24 tons)	200,000	20	304	967	1,271	0.8%	100
Truck, crane (over 24 tons)	SPECIAL CASE						
Truck, recovery, 5 tons	132,000	18	1,393	699	2,092	0.8%	420
Truck, recovery, greater than 5 tons	350,000	18	1,700	1,854	3,554	0.8%	300
Truck, refrigerator	100,000	15	137	622	759	0.8%	70
Truck, tanker (up to 10,000 litres)	110,000	18	918	583	1,501	0.8%	480
Truck, tanker (10,000 litres and over)	196,000	18	694	1,038	1,732	0.8%	320
Truck, tractor, up to 40 ton tow	112,000	15	1,292	697	1,989	0.8%	490
Truck, tractor, 41 to 60 ton tow	137,000	18	723	726	1,449	0.8%	330
Truck, tractor, over 60 ton tow	SPECIAL CASE						
COMMUNICATIONS VEHICLES							
Truck, communications light	45,000	12	516	331	847	0.5%	30
Truck communications medium	SPECIAL CASE						
Truck communications heavy	SPECIAL CASE						
Trailer communications suite	SPECIAL CASE						
Mobile Trunking System	SPECIAL CASE						
ALO/FAC/TACP, Wheeled	SPECIAL CASE						

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease c/		
ENGINEERING VEHICLES							
APC - tracked - Engineer	650,000	25	2,324	2,708	5,032	1.0%	300
Bulldozed light (D4 & 5)	47,000	12	947	330	1,277	0.1%	348
Bulldozer medium (D6 & 7)	132,000	15	1,463	744	2,207	0.1%	540
Bulldozer heavy (D8A)	253,000	20	1,798	1,075	2,873	0.1%	570
Crane mobile light (up to 10 tons)	116,000	15	485	654	1,139	0.1%	142
Crane mobile medium (10 to 24 tons)	215,000	15	846	1,212	2,058	0.1%	269
Crane mobile heavy (over 24 tons)	SPECIAL CASE						
Fire fighting truck	155,000	20	146	659	805	0.1%	22
Front end loader light (< 1 cu m)	55,000	12	1,079	387	1,466	0.1%	257
Front end loader medium (1-2 cu m)	80,000	12	1,360	562	1,922	0.1%	257
Front end loader heavy (2-4 cu m)	160,000	15	1,595	902	2,497	0.1%	450
Front end loader tracked	153,000	12	1,334	1,075	2,409	0.1%	582
Front end loader special (over 4 cu m)	SPECIAL CASE						
Grader, general purpose	125,000	20	1,483	531	2,014	0.1%	504
Grader, special purpose	SPECIAL CASE						
Mine clearance system - vehicle mounted	SPECIAL CASE						
Roller, self propelled	95,000	18	712	448	1,160	0.1%	211
Roller, towed	33,000	15	559	186	745	0.1%	57
Road sweeper	90,000	15	575	508	1,083	0.1%	72
Sawmill, Mobile	SPECIAL CASE						
Snowblower, Truck	180,000	12	552	1,265	1,817	0.1%	75
Industrial tractor light	40,000	12	862	281	1,143	0.1%	282
Truck, dump, up to 10 cu meters (Civilian Pattern)	50,000	12	623	381	1,004	0.8%	140
Truck, dump, up to 10 cu meters (Military Pattern)	141,000	15	573	877	1,450	0.8%	140
Truck, dump, large (over 10 cu m)	215,000	18	1,677	1,013	2,690	0.1%	525
Truck, folding pontoon bridge	150,000	18	50	707	757	0.1%	20

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Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease c/		
Truck, launched bridge (scissor type)	90,000	18	48	424	472	0.1%	20
M2 Rig, pontoon bridge	SPECIAL CASE						
Truck, pile driver	45,000	15	66	254	320	0.1%	24
Truck, drill rig	60,000	15	72	338	410	0.1%	24
Drill rig, self propelled	200,000	20	628	850	1,478	0.1%	450
Truck sewer cleaning	120,000	15	82	677	759	0.1%	110
Excavator (up to 1 cu m)	90,000	15	1,050	508	1,558	0.1%	309
Excavator (above 1 cu m)	265,000	18	1,416	1,249	2,665	0.1%	492
Workshops, truck, heavy engineer equipment	110,000	20	372	468	840	0.1%	52
MATERIAL HANDLING EQUIPMENT							
Forklift light (up to 1.5 tons)	27,000	10	385	227	612	0.1%	90
Forklift medium (up to 5 tons)	51,000	12	645	358	1,003	0.1%	96
Forklift heavy (over 5 tons)	90,000	12	838	633	1,471	0.1%	108
Forklift, container	323,000	12	350	2,270	2,620	0.1%	68
Container Lifter, Self Propelled	110,000	12	418	773	1,191	0.1%	3
Forklift rough terrain (up to 1.5 tons)	79,000	10	414	665	1,079	0.1%	78
Forklift rough terrain (up to 5 tons)	117,000	12	605	822	1,427	0.1%	91
Forklift rough terrain (over 5 tons)	163,000	12	701	1,146	1,847	0.1%	360
AIRCRAFT/AIRFIELD SUPPORT EQUIPMENT							
Truck A/C refuelling	110,400	15	426	623	1,049	0.1%	50
Forklift aircraft unloading	61,000	12	163	429	592	0.1%	41
Fire fighting, crash and rescue light	210,000	20	600	893	1,493	0.1%	123
Aircraft loading vehicle	135,000	15	1,348	761	2,109	0.1%	26
Semitrailer A/C refuelling	55,000	15	349	310	659	0.1%	1
Trailer aircraft loading	9,000	15	331	51	382	0.1%	1
Runway sweeper	272,000	17	1,006	1,350	2,362	0.1%	52
Truck aircraft stairs	55,000	15	135	310	445	0.1%	40
Tractor A/C towing	100,000	15	386	564	950	0.1%	75

Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease b/	Wet lease g/		
Auxiliary Power Unit (Small Capacity)	88,000	10	287	741	1,028	0.1%	20
Auxiliary power unit (Large Capacity)	250,000	17	368	1,246	1,614	0.1%	20
Truck de-icing	201,600	15	568	1,137	1,705	0.1%	37
Truck food servicing	98,000	15	280	553	833	0.1%	37
Snowplow	99,000	17	267	494	761	0.1%	79
Snowblower	200,000	15	580	1,128	1,708	0.1%	88
TRAILERS							
Light cargo single axle	4,500	10	46	41	87	0.8%	6
Medium cargo single axle	10,000	12	54	76	130	0.8%	6
Light cargo multi axle	15,500	12	248	118	366	0.8%	6
Medium cargo multi axle	19,000	15	312	118	430	0.8%	6
Heavy cargo multi axle	28,000	18	256	148	404	0.8%	8
Heavy cargo (20 tons)	59,000	18	318	312	630	0.8%	8
Water Trailer (up to 2,000 litres)	13,550	12	298	103	401	0.8%	12
Water Trailer (2,000 to 7,000 litres)	18,000	15	238	112	350	0.8%	8
Water Trailer (over 7,000 litres)	20,000	15	185	124	309	0.8%	5
Fuel Trailer (up to 2,000 litres)	19,500	12	467	148	615	0.8%	12
Fuel Trailer (2,000 to 7,000 litres)	35,000	15	433	218	651	0.8%	8
Fuel Trailer (over 7,000 litres)	60,000	15	392	373	765	0.8%	5
Compressor trailer	47,250	12	212	360	572	0.8%	8
Servicing trailer	13,500	12	220	103	323	0.8%	12
Flatbed up to 20 ton	25,000	18	304	132	436	0.8%	10
Flatbed over 20 ton	32,000	20	330	155	485	0.8%	5
Lowbed up to 20 ton	45,000	18	513	238	751	0.8%	10
Lowbed 20 - 40 ton	57,000	20	487	276	763	0.8%	5
Heavy Equipment/Tank Transporter	280,000	30	151	964	1,115	0.8%	1
Semitrailer refuelling	50,000	20	544	242	786	0.8%	6
Semitrailer water	46,139	20	315	223	538	0.8%	6
Semitrailer refrigerator	52,000	20	310	251	561	0.8%	6

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Category of equipment	Generic fair market value (in US\$)	Estimated useful life (in yrs)	Estimated maintenance rate	Proposed monthly rates		No-fault incident factor (percentage)	Non-United Nations Petrol, oil and lubricants
				Dry lease h/	Wet lease g/		
Semitrailer van	30,000	20	206	145	351	0.8%	6
Mine clearance system trailer mounted	SPECIAL CASE						
Bridging system	SPECIAL CASE						
Trackway surfacing outfit	57,867	18	34	306	340	0.8%	1
Pallet loading system	4,986	15	228	31	259	0.8%	12

Notes to appendix II.B

a/ The following factors are not included in the rates as they are mission or troop-contributing country specific:

- (a) Incremental transportation factor (applied only to the estimated maintenance rate);
- (b) Mission approved environmental factor;
- (c) Mission approved intensified operational use factor;
- (d) Mission approved hostile action/forced abandonment factor (applied only to the spares component of the estimated maintenance rate).

b/ The proposed monthly dry lease rate has been calculated as follows:

(Generic fair market value divided by estimated useful life divided by 12) plus (generic fair market value multiplied by no-fault incident factor divided by 12).

c/ The proposed monthly wet lease rate has been calculated as follows:

(Proposed monthly dry lease plus estimated maintenance rate)

The estimated maintenance rate includes the basic 2 per cent transportation factor as well as the no-fault incident factor for damage.

C. Suggested elements to be considered in special case reimbursement of major equipment under wet and/or dry lease arrangements

1. The establishment of reimbursement rates for special cases of major equipment may be based on the following elements:

(a) Generic fair market value: _____ (currency)

(This figure takes into consideration the initial purchase price, major capital improvements, a factor to recognize the effects of inflation, and a factor to discount for prior use.)

(b) Estimated useful life in years: _____

(This estimate is based on normal operations. The mission-approved environmental and intensified operational use factors will be applied to the wet and dry lease rates, when necessary, to compensate for the potential increased wear and tear in the mission area.)

(c) Wet lease requests only

(i) Estimated monthly maintenance costs: _____ (currency)

(This figure is based on the spares, contracted repair, and third and fourth line maintenance that is required to keep the above item operational to the specified standards, and return the item to operational condition upon return from the mission area. The cost of personnel involved in first and second line maintenance is excluded from the figure as they are reimbursed under the General Assembly approved personnel rate of US\$ 988.00. This estimate is based on normal operations. The mission-approved environmental and intensified operational use factors will be applied to the wet and dry lease rates, when necessary, to compensate for the potential increased wear and tear in the mission area.)

(ii) Estimated monthly petrol, oil and lubricants (POL) use:

_____ (litres or gallons) of _____ (gas or diesel)

(This figure, which is only required when seeking wet lease reimbursement for special case equipment that requires POL, should be based on normal operations. The mission-approved environmental and intensified operational use factors will be applied to the non-United Nations POL rate, when necessary, to compensate for potential increased consumption in a mission area.)

(iii) Estimated monthly use: _____ (kilometres, miles or hours)

(This figure, which is only required when seeking wet lease reimbursement for special case vehicles or equipment requiring POL, will be used to ensure the estimated monthly maintenance costs and estimated monthly POL use reported above are based on a similar activity rate to the estimate prepared for the mission area.)

2. A no-fault incident factor in the wet and/or dry lease rates. This factor will be the same as items of a similar type for which wet and dry lease rates have been promulgated by the United Nations.

3. The following formulas may be used in determining wet and/or dry lease rates:

(a) Monthly dry lease: (Generic fair market value divided by estimated useful life in years) divided by 12.

To this calculation will be added the applicable no-fault incident factor for loss:

(Generic fair market value multiplied by the no-fault incident factor) divided by 12.

(b) Monthly wet lease: Estimated monthly maintenance/cost plus monthly dry lease (as calculated above).

To this calculation will be added the applicable no-fault incident factor for damage:

(Generic fair market value multiplied by 50 per cent of the no-fault incident factor) divided by 12.

4. Where applicable, the following mission-approved factors may be added to the wet and dry lease rates:

(a) Hostile action/forced abandonment factor: Estimated monthly spares cost of half of the estimated monthly maintenance cost (when the spares cost cannot be calculated separately) multiplied by the hostile action/forced abandonment factor.

(b) Environmental and intensified operational use factor:

Dry lease = Monthly dry lease multiplied by (environmental factor plus intensified operational use factor)

Wet lease = Monthly wet lease multiplied by (environmental factor plus intensified operational use factor)

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APPENDIX II*

A. Proposed United Nations performance standards for self-sustainment reimbursement for minor equipment and consumables

Catering

1. To receive the catering self-sustainment reimbursement rate, the contingent must be able to feed its troops with cold and hot meals in a clean and healthy environment. The standards are:

(a) Provide kitchen facilities and equipment for their subunits (company positions, observation posts and troop camps);

(b) Provide cold and dry food storage for all kitchen facilities for a minimum duration of one week;

(c) Provide all kitchen facilities with hot dish washing capabilities;

(d) Ensure all kitchen facilities have hygienic equipment that maintain a clean and healthy environment.

2. The unit is responsible for maintaining and servicing its kitchen facilities, including all catering equipment, repair parts and supplies such as dishes and cutlery. When the United Nations provides this service to an equivalent standard, the unit does not receive reimbursement for this category.

3. Food, water and petrol, oil and lubricants are not included as they are normally provided by the United Nations. When the United Nations is unable to provide, an additional reimbursement will be negotiated.

Communications

4. To receive the communications self-sustainment reimbursement rate the unit must be able effectively and efficiently to control itself throughout its assigned area of operations with adequate radio and telephone equipment. The standards for each of the three subcategories are as follows:

(a) VHF/UHF - FM

(i) Maintain one command and control net down to subunit (section/squad) level;

(ii) Maintain one administration net;

* Note. The categories proposed for validation in section A and the categories of reimbursement in section B are identical.

- (iii) Maintain one dismounted patrol and security net or other primary non-vehicle mounted net;
- (b) HF:
 - (i) Maintain the ability to communicate with tactical and logistical air support; or
 - (ii) Maintain the ability for high-frequency long-range communications;
 - (iii) Maintain a back-up command and control net using non-vehicular mounted HF communications equipment;
- (c) Maintain telephonic connections within the area of operation between the unit and its immediate subunits.

5. The unit is responsible for maintaining and servicing its communication facilities, including all equipment, repair parts and supplies. When the United Nations provides telephones, the unit does not receive reimbursement for this subcategory.

Office

6. To receive the office self-sustainment reimbursement rate the unit must provide:

- (a) Office furniture, equipment and supplies for all headquarters staff;
- (b) An electronic data-processing (EDP) capability, including necessary software, to run all internal headquarters.

7. The unit is responsible for maintaining and servicing its offices, including all equipment, repair parts and supplies. When the United Nations provides offices to an equivalent standard, the unit does not receive reimbursement for this category.

Electrical

8. To receive the electrical self-sustainment reimbursement rate the unit must provide decentralized electrical power from generators. The decentralized power must:

- (a) Ensure stable power supply to small subunits such as observation posts and small troop camps;
- (b) Provide redundant emergency back-up when the main power supply, provided through larger generators, is interrupted.

9. This is not the primary electrical power supply for larger units, which is covered under the major equipment rate.

10. This self-sustainment rate includes all necessary electrical harnesses, wiring, circuitry and lighting sets. The unit is responsible for maintaining and servicing its electrical system, including all equipment, repair parts and supplies. When the United Nations provides this service to an equivalent standard, the contingent does not receive reimbursement for this category.

Minor engineering

11. To receive the minor engineering self-sustainment reimbursement rate the unit must be able, within its accommodation areas:

- (a) To undertake non-field defensive minor construction;
- (b) To handle minor electrical repair and replacement;
- (c) To undertake repairs to plumbing and water systems;
- (d) To conduct minor maintenance and other light repair work.

12. The unit must provide all related workshop equipment, construction tools and supplies. When the United Nations provides this service to an equivalent standard, the unit does not receive reimbursement for this category.

Explosive ordnance disposal

13. To receive the self-sustainment reimbursement rate for explosive ordnance disposal the unit must have the capability for explosive ordnance disposal to secure the unit's accommodation areas. The unit must have the ability:

- (a) To locate and evaluate unexploded ordnance;
- (b) To dismantle or destroy isolated ordnance that is considered a threat to the unit's safety.

14. Disposal of significant quantities of ordnance, for example minefields, will be handled by engineering units provided by the United Nations.

15. The unit must provide all related minor equipment, personal protective clothing and supplies. When the United Nations provides this service to an equivalent standard, the unit does not receive reimbursement for this category.

Laundry and cleaning

16. To receive the laundry and cleaning self-sustainment reimbursement rate the unit must:

- (a) Provide laundry and cleaning facilities for all unit personnel;

(b) Ensure all laundry and cleaning facilities have hygienic equipment that maintain a clean and healthy environment.

17. The unit must provide all related equipment, maintenance and supplies. When the United Nations provides laundry and cleaning to an equivalent standard, the unit does not receive reimbursement for this category.

18. When a unit is geographically dispersed and the United Nations is only able to provide laundry and cleaning to a portion of the unit, the unit will receive the laundry and cleaning self-sustainment rate for those personnel not serviced by the United Nations.

Tentage

19. To receive the tentage self-sustainment reimbursement rate the unit must have the ability:

- (a) To house personnel in tented accommodations;
- (b) To provide temporary offices in tentage.

20. Units will receive full tentage reimbursement for six months. When the United Nations notifies a troop-contributing country prior to the unit deploying that this capability is not required, the unit does not receive reimbursement for this category.

21. When the United Nations is unable to provide permanent, semi-rigid or rigid accommodation for a unit after six months in tents, the unit will be entitled to receive reimbursement at both the tentage and accommodation self-sustainment rates. This combined rate will continue until personnel are housed to the standard specified under the accommodation rate.

Accommodation

22. To receive the accommodation self-sustainment reimbursement rate the unit must:

(a) Purchase or construct a permanent rigid structure to accommodate the unit's personnel. This structure is fixed with heating, lighting, flooring, sanitation and running water. The rate is based on a standard of 9 square metres per person;

(b) Provide heaters and/or air-conditioners for the accommodation as required by the area's climatic conditions.

23. When the United Nations provides accommodation to an equivalent standard, the unit does not receive reimbursement for this category.

24. Warehouses and equipment storage are not included in the accommodation self-sustainment reimbursement rate. This will be handled either through the

semi-rigid and rigid structures reimbursed as major equipment or on a bilateral special case arrangement between the troop-contributing country and the United Nations.

25. When the United Nations is unable to provide accommodation to an equivalent standard and the unit rents a suitable structure, the unit will be reimbursed the actual rental cost on a bilateral special case arrangement between the troop-contributing country and the United Nations.

Medical

26. To receive the medical self-sustainment rate the unit has to provide medical and/or dental services for all personnel. The standards for each of the five categories are as follows:

(a) Basic: provide individual level first aid and hygiene supplies (e.g., bandaids, aspirin and tape);

(b) First line:

(i) Provide a specialist combat medic who will provide resuscitation, stabilization and triage of seriously injured personnel;

(ii) Provide casualty collection and evacuation to second line;

(iii) Handle routine sick calls and the management of minor sick and injured;

(iv) Implement disease, non-battle injury and stress preventive measures;

(c) Limited second line:

(i) Provide advanced specialist medical care to stabilize seriously injured personnel for transport to a second or third line medical facility;

(ii) Conduct emergency minor surgical/medical procedures (e.g., suturing, splinting and casting);

(iii) Perform basic diagnostic tests (e.g., cultures and infectious disease identification);

(iv) Have the capability to evaluate, observe or isolate patients for 48 hours;

(v) Maintain a sterilization capability;

(vi) Maintain a limited pharmaceutical capability (e.g., intravenous fluids, analgesics and serums);

- (vii) Perform definitive treatment against a wide variety of naturally occurring diseases;
- (d) Dental:
 - (i) Provide specialized dental care to maintain the dental health of unit personnel;
 - (ii) Provide basic or emergency dental procedures;
 - (iii) Maintain a sterilization capability;
 - (iv) Conduct minor prophylactic procedures;
 - (v) Provide oral hygiene education to unit personnel;
- (e) Blood and blood products:
 - (i) Maintain a sufficient supply of fresh blood and blood products;
 - (ii) Provide climate-controlled storage to prevent the deterioration or contamination of blood and blood products;
 - (iii) Have the ability to administer blood and blood products in a sterile environment using hygienic procedures to prevent contamination;
 - (iv) Perform blood testing and typing.

27. The unit must provide all related minor equipment, tools and supplies. When the United Nations provides a subcategory to an equivalent standard, the unit does not receive reimbursement for this subcategory.

28. Second and third line medical and dental coverage is provided by the United Nations. When the United Nations is unable to provide, arrangements will be handled either through the medical reimbursement category of major equipment or on a bilateral special case arrangement between the troop-contributing country and the United Nations.

Observation

29. To receive the observation self-sustainment rate the unit must be able to observe throughout their area of operation. The standards for each of the three subcategories are as follows:

- (a) General observation: provide hand held binoculars for general observation use;
- (b) Night observation:
 - (i) Provide the capability for passive or active infra-red, thermal or image intensification night-time line-of-sight visual observation;

(ii) Have the capability to detect, identify and categorize persons or items within a range of 1,000 metres or more;

(iii) Have the ability to conduct night-time patrols and to intercept missions;

(b) Positioning: have the capability to determine the exact geographical location of a person or item within the area of operations through the combined use of Global Positioning Systems and Laser Range Finders.

30. The unit must provide all related equipment, maintenance and supplies. Night observation and positioning rates will only be reimbursed when requested by the United Nations.

Identification

31. To receive the identification self-sustainment rate the unit must be able:

(a) To conduct surveillance operations with photographic equipment, such as videotape and single lens reflex cameras;

(b) To process and edit the obtained visual information.

32. The unit must provide all related equipment, maintenance and supplies. When the United Nations provides this service to equivalent standards, the unit does not receive reimbursement for this category.

Nuclear, biological and chemical protection

33. To receive the nuclear, biological and chemical protection self-sustainment rate the unit must be able to operate fully protected in any nuclear, biological and chemical threat environment. This includes:

(a) Detect and identify nuclear, biological and chemical agents with appropriate detection equipment;

(b) Conduct decontamination operations for all personnel and personal equipment in a nuclear, biological and chemical nuclear, biological and chemical threat environment;

(c) Provide all personnel with the necessary nuclear, biological and chemical protection clothing and equipment (e.g., protective mask, coveralls, gloves, personal decontamination kits and injectors).

34. The unit must provide all related equipment, maintenance and supplies. Nuclear, biological and chemical protection will only be reimbursed when requested by the United Nations.

Field defence stores

35. To receive the field defence stores self-sustainment reimbursement rate the unit must:

- (a) Secure own base camps with adequate field defence facilities (e.g., barbed wire fences, sandbags and other field defence obstacles);
- (b) Establish early warning and detection (passive or active) systems to protect the unit's premises;
- (c) Prepare self-defence fortification works (e.g. small shelters, trenches and observation posts) not tasked to specialized engineering units.

36. The unit must provide all related equipment, maintenance and supplies. When the United Nations provides this service to equivalent standards, the unit does not receive reimbursement for this category.

Miscellaneous general stores

37. To receive the self-sustainment reimbursement rate for each of the three subcategories of miscellaneous general stores a unit must provide:

- (a) Bedding: bed linen, blankets, mattress covers, pillows and towels. Sleeping bags may be an acceptable substitute for bed linen and blankets. Sufficient quantities must be provided to allow for rotation and cleaning;
- (b) Furniture: for each person, a bed, mattress, night stand, table light and locker;
- (c) Welfare: recreational equipment such as video cassette recorders (VCRs), televisions, stereos, sports and fitness equipment, games and reading library.

38. The unit must provide all related equipment, maintenance and supplies. When the United Nations provides a service to similar standards, the unit does not receive reimbursement for the applicable subcategory.

Unique equipment

39. Any special minor equipment or consumables not covered in the above self-sustainment rates will be handled as unique equipment (e.g., winter clothing, tropical gear). These items will be handled on a bilateral special case arrangement between the troop-contributing country and the United Nations.

B. Recommended self-sustainment reimbursement rates
for minor equipment and consumables

Category	Subcategory	Rate per person per month (United States dollars)	Remarks
Catering		25.25	
Communications	VHF/UHF - FM	45.50	
	HF	15.25	
	Telephone	13.00	
Office		21.25	
Electrical		25.00	
Minor engineering		14.00	
Explosive ordnance disposal		6.50	
Laundry and cleaning		21.25	United Nations responsibility
Tentage		20.00	
Accommodation		36.00	United Nations responsibility
Medical	Basic	2.00	)
	First line	18.25	) Cumulative
	Limited second line	55.75	)
	Dental	10.00	
	Blood and blood products	13.00	
Observation	General observation	1.00	
	Night observation	23.25	United Nations request
	Positioning	5.00	United Nations request

Category	Subcategory	Rate per person per month (United States dollars)	Remarks
Identification		1.00	United Nations request
Nuclear, biological and chemical protection		24.25	United Nations request
Field defence stores		30.25	
Miscellaneous general stores	Bedding	14.00	United Nations responsibility
	Furniture	22.00	United Nations responsibility
	Welfare	5.00	United Nations responsibility
Unique equipment		Special case	

Notes:

1. The recommended self-sustainment rates include a no-fault incident loss or damage factor of 0.5 per cent and a transportation factor of 2.0 per cent.

2. The recommended rates do not include the following factors, which are mission specific:

- (a) Mission-approved environmental factors;
- (b) Mission-approved intensified operational use factors;
- (c) Mission-approved hostile action/forced abandonment.

APPENDIX III

Proposed principles and procedures for the verification and control of contingent-owned equipment

Introduction

1. The General Assembly has approved rates for reimbursement of troop-contributing countries for the provision of major items of contingent-owned equipment and for the establishment of minimum standards of self-sufficiency. Entitlement to these rates of reimbursement is contingent upon verification by the United Nations that the material and services provided by the troop-contributing country meet the undertaking of the troop-contributing country in its bilateral agreement with the United Nations for the provision of military equipment and personnel to the mission concerned. In the same way it is important that services provided by the United Nations for troop-contributing country units is provided as agreed upon in the same document.

Purpose

2. The purpose of these principles and procedures is to define the means by which the United Nations will ensure, in conjunction with the troop-contributing country, that the required standards in quantity and quality of material and services for which reimbursement will be sought are met.

Guiding principles

3. The United Nations (head of mission), in conjunction with the respective contingents or other delegated authority designated by the troop-contributing country, is responsible to ensure that the equipment provided by Member States meets the requirements of peace-keeping operations and is provided in accordance with the agreements entered into by the United Nations with the participating States. In order to do so, the United Nations (head of mission) is authorized to verify the status, condition and quantity of the equipment and services provided. This control is implemented in cooperation between the United Nations and the troop-contributing country in accordance with the terms of the bilateral agreement for the provision of military personnel and equipment. This document must be detailed and specific on matters which must be inspected, that includes, for example, serial numbers for dry lease and special-case equipment.

4. The inspection team assigned by the head of mission or by an official acting on his or her behalf must be assigned to the unit for a sufficient period of time to ensure continuity in the control activities. The troop-contributing country must designate a person at each unit who is a responsible point of contact for verification and control matters.

5. In the conduct of the verification process, a "reasonability" view is to be employed when assessing the yielded results, including whether positive steps have been taken towards a fulfilment of the agreement; that is to say that the

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troop-contributing country and the United Nations has taken all reasonable measures and has met the spirit of the agreement, if not the full substance, and also taken into account the importance of the subject and length of period where the agreement has not been fulfilled. The guiding principle in determining "reasonability" is whether the material to be provided by the troop-contributing country as well as by the United Nations will meet its (military) function at no additional cost to the United Nations or the troop-contributing country, other than those provided for in the bilateral agreement.

6. The results of the control process are intended to be used primarily by the United Nations and the troop-contributing country basis of consultative discussions (at the lowest level possible in the mission area) to bring the capabilities provided by the troop-contributing country into line with the military requirement through common efforts and to determine, where a minimum standard of quantity or quality of material has not been provided, what corrective action is required, including adjustment to the agreed eligibility for reimbursement. Alternatively, the parties, given the degree of non-fulfilment of the agreement, may seek to renegotiate the terms and conditions in the bilateral agreement.

Conduct of verification inspections

7. Inspections will be conducted within the framework of the above principles. The main purpose of the inspection is to verify that the terms and conditions of the bilateral agreement have been met, and to take corrective actions when required. At every stage of peace-keeping operations, time and manpower are short, and excessive time cannot be spent beyond that required to determine that the minimum requirements have been met by the troop-contributing country or the United Nations in each area.

Types of inspections in the verification process

8. The verification process provides for inspections at three separate stages. It is mandatory that such inspections be conducted on arrival and on repatriation. Arrival inspections must cover the scope of equipment and services for which reimbursement is sought in the bilateral agreement. It is the responsibility of the head of mission to ensure that operational readiness of equipment and/or services specified in the bilateral agreement are verified. Operational readiness inspections may be conducted with little notice when conditions exist that give rise to concern that the terms of the bilateral agreement are not being met. Such inspections may be restricted in scope to specific areas of concern, as decided by the head of mission.

Arrival inspection

9. The inspection of major equipment will take place immediately upon arrival in the mission area and must be completed within one month. The time and place will be decided by the head of mission in consultation with the troop-contributing country. A troop-contributing country representative must explain and demonstrate the agreed self-sustainment capability. In the same way, the

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United Nations must give an account of the services provided by the United Nations as stipulated in the agreement. The inspections will include the following:

(a) Major equipment will be inspected with a view to ensure categories and groups and the number delivered corresponds with the bilateral agreement;

(b) In the case of dry lease, the equipment will be inspected to determine whether the equipment condition is acceptable in accordance with established standards;

(c) Areas where the unit has a "self-sustainment" responsibility will be inspected within six months with a view to an assessment of the operational performance of the equipment and services.

10. In the event that the United Nations has not carried out the arrival inspection, for whatever reason, the obligation of the United Nations to pay the charges for equipment from the date of arrival remain unchanged and should be carried out immediately.

11. United Nations Headquarters may be requested by a participating Member State to send a team to advise and consult with regard to the provision and services.

12. In order to reduce operational delays, the troop-contributing country may request United Nations Headquarters to send a team from the mission to carry out a pre-arrival inspection of equipment in the home country.

Operational readiness inspections

13. Operational inspections will be implemented according to operational requirements during the stay of the units in the mission area. These inspections may include:

(a) Major equipment will be counted/inspected in order to classify the equipment into categories and groups and to ensure that the agreed number are present and used appropriately;

(b) Major equipment will be inspected to ensure that it is operational to the extent agreed to in the bilateral agreement;

(c) In the case of a dry lease, a determination will be made as to whether the condition of the equipment is acceptable. This is compared with the consumption of spares and repair costs, ensuring that spares, etc., are provided and used according to the bilateral agreement;

(d) Areas where the unit has a "self-sustainment" responsibility may be inspected with a view to an assessment of whether the sustainment capability is sufficient and satisfactory.

Repatriation inspection

14. The head of mission shall carry out an inspection at the time of repatriation of the contingent or component thereof from the mission area. This inspection shall:

(a) Account for all major equipment of the troop-contributing country to be repatriated;

(b) Verify the condition of major equipment provided under the dry lease arrangement to ensure that only equipment of the troop-contributing country is being repatriated.

When circumstances prevent the head of mission from conducting a repatriation inspection, consideration should be given to using the last validated inspection.

Reporting

15. The following types of reporting may be employed:

(a) Standard operational reporting;

(b) Inspection reporting;

(c) Claim status reporting.

16. Standard operational reporting is performed by the unit on a monthly basis. The report is in a standardized form. The report must describe the actual state of equipment and services provided by the unit and the United Nations.

17. Inspection reports are prepared by the mission after each inspection of a unit. The report describes the result of the implemented inspection. The result is examined together with the unit and signed by same.

18. Claim status reporting is provided by the United Nations to the troop-contributing country on a monthly basis. The report shows monthly payments and/or debt as well as balance at the time of reporting.

19. Control files are established at United Nations Headquarters, the force headquarters, the troop-contributing country and the unit.

Resolution of disputes

20. After other possibilities have been tried, disputes concerning the interpretation of the results of verification inspections which may affect the eligibility for reimbursement by a troop-contributing country, or for any other reason, shall be conducted using the dispute procedure contained in the bilateral agreement.

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Attachment

Wet and dry lease agreement

Wet lease agreement

1. The following information is required for major equipment being provided under a wet lease agreement:

- (a) Vehicles:
 - (i) Types of vehicles;
 - (ii) Quantity of each type;
 - (iii) General condition of each type;
 - (iv) Type of fuel used;
- (b) Other major equipment:
 - (i) Type;
 - (ii) Description;
 - (iii) Quantity of each type;
 - (iv) General condition of each type.

Dry lease agreement

2. The following information is required:

- (a) Vehicles:
 - (i) Description of vehicle including make, model and type;
 - (ii) Serial number;
 - (iii) Year of manufacture;
 - (iv) Kilometre reading;
 - (v) Quantity;
 - (vi) General condition of each vehicle;
 - (vii) Type of fuel used;

- (b) Other major equipment:
 - (i) Stock number;
 - (ii) Detailed description of equipment;
 - (iii) Serial number;
 - (iv) Year of manufacture;
 - (v) General condition of equipment.

APPENDIX IV

Draft contribution agreement between the United Nations
and the Government of ...

WHEREAS, the [name of peace-keeping operation (PKO)] was established pursuant to United Nations Security Council resolution _____.

WHEREAS, at the request of the United Nations, the Government of _____ (hereinafter referred to as the "Government") has agreed to contribute equipment, personnel and services in support of [name of peace-keeping operation] to assist [name of peace-keeping operation] to carry out its mandate.

WHEREAS, the United Nations and the Government of _____ wish by this Agreement to establish the terms and conditions of the contribution.

NOW THEREFORE, the United Nations and the Government (hereinafter collectively referred to as the "Parties") agree as follows:

Article 1

Definitions

1.1 For the purpose of this Agreement, the following definitions shall apply:

- (a) "Government" means ...;
- (b) "Major equipment" means ...;
- (c) "Minor equipment and consumables" means ...;
- (d) "Generic fair market value" means ...;
- (e) "Dry lease" means ...;
- (f) "Wet lease" means ...;
- (g) "Environmental cost factor" means ...;
- (h) "Intensity operational use factor" means ...;
- (i) "Single hostile action" means ... [should include time-frame];
- (j) "Abandonment" means

Article 2

Documents constituting the Agreement

2.1 This document, including all of its annexes constitute the entire Agreement (hereinafter referred to as the "Agreement") between the United Nations and the Government for the provision of equipment and personnel in support of [name of peace-keeping operation].

2.2 The annexes to the present Agreement are the following:

Annex A: Type and number of personnel provided by the Government

Appendix 1: Rates of reimbursement

Appendix 2: General conditions for personnel

Annex B: Major equipment provided by the Government

Appendix 1: Standards of performance

Appendix 2: Rates of reimbursement

Appendix 3: General conditions for major equipment

Annex C: Minor equipment and consumables provided by the Government

Appendix 1: Standards of performance

Appendix 2: Rates of reimbursement

Appendix 3: General conditions for minor equipment and consumables

Annex D: Other services provided by the Government

Appendix 1: Standards of performance

Appendix 2: Rates of reimbursement

Annex E: Aide-mémoire for troop-contributing countries

Article 3

Purpose

3.1 The purpose of the present Agreement is to establish the terms and conditions to govern the contribution of personnel, equipment and services provided by the Government in support of [name of peace-keeping operation].

Article 4

Application

4.1 The present Agreement shall be applied in conjunction with the aide-mémoire for troop-contributing countries which is annexed hereto as annex E.

Article 5

Contribution of the Government

5.1 The Government shall contribute to [name of peace-keeping operation] the personnel listed in annex A.

5.2 The Government shall contribute to [name of peace-keeping operation] the major equipment listed in annex B. The Government shall ensure that the major equipment and associated minor equipment and supplies meet the performance standards set out in appendix 1 to annex B for the duration of the deployment of such equipment to [name of peace-keeping operation].

5.3 The Government shall contribute to [name of peace-keeping operation] the minor equipment and consumables for its self-sufficient contingent units listed in annex C. The Government shall ensure that the minor equipment and consumables meet the performance standards set out in appendix 1 of annex C for the duration of the deployment of such equipment to [name of peace-keeping operation].

5.4 The Government shall contribute to [name of peace-keeping operation] the services listed in annex D. The Government shall ensure that the services meet the performance standards set out in appendix 1 to annex D.

Article 6

Reimbursement rates

6.1 The reimbursement rates for the personnel provided by the Government are set out in appendix 1 to annex A. The reimbursement rates shall be reduced proportionately in the event of reduction of personnel.

6.2 The reimbursement rates for the major equipment provided by the Government are set out in appendix 2 to annex B. The reimbursement rates shall be reduced proportionately in the event that such equipment does not meet the required performance standards set out in appendix 1 to annex B or in the event that the equipment is reduced.

6.3 The reimbursement rates for minor equipment and consumables are set out in appendix 2 to annex C. The reimbursement rates shall be reduced proportionately in the event that such equipment and consumables do not meet the required performance standards set out in appendix 1 to annex C or in the event that such minor equipment and consumables are reduced.

6.4 The reimbursement rates for services provided are set out in appendix 2 to annex D. The reimbursement rates shall be reduced proportionately in the event that such services do not meet the required standards set out in appendix 1 to annex D or in the event that such services are reduced.

Article 7

Transportation

7.1 Arrangements for transportation of personnel and equipment provided by the Government shall be as provided for in the relevant annexes to the present Agreement.

Article 8

General conditions

8.1 The Parties agree that the contribution of the Government shall be governed by the general conditions set out in the relevant appendices.

Article 9

Supplementary arrangements

9.1 The Parties may conclude written supplementary arrangements to the present Agreement.

Article 10

Amendments

10.1 The present Agreement may only be amended by written agreement of the Parties.

Article 11

Settlement of disputes

11.1 The [name of peace-keeping operation] shall establish a mechanism within the mission to discuss and resolve amicably by negotiation in a spirit of cooperation differences arising from the application of the present Agreement.

11.2 Disputes that have not been resolved as provided in paragraph 11.1 above shall be reported by the Head of the Mission to the United Nations Under-Secretary-General for Peace-keeping Operations. Upon receipt of such notice, the Under-Secretary-General for Peace-keeping Operations shall institute discussions and consultations with representatives of the Government with a view to reaching an amicable resolution of the dispute.

11.3 Disputes that have not been resolved as provided in paragraph 11.2 may be submitted to a mutually agreed conciliator or mediator appointed by the President of the International Court of Justice, failing which the dispute may be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the Chairman. If within thirty days of the request for arbitration either Party has not appointed an arbitrator or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the Parties as the final adjudication of the dispute.

Article 12

Entry into force

12.1 The present Agreement shall be signed by the duly authorized representatives of the Parties and shall enter into force on _____. The Agreement shall remain in force until otherwise terminated, except to the extent necessary for the proper winding up of the Government's contribution and disposal of any outstanding obligations under the present Agreement.

Article 13

Termination

13.1 The modalities for termination shall be as agreed to by the Parties following consultations between the Parties.

IN WITNESS WHEREOF, the United Nations and the Government of _____ have signed this Agreement.

DONE at New York, on _____, in two originals in the English language.

For the United Nations

For the Government of _____

Attachment

Examples of annexes and appendices to the Agreement

Annex A. appendix 2

General conditions for personnel

1. The Government shall ensure that the personnel it provides meet the standards established by the United Nations for service with [name of peace-keeping operation], inter alia, with respect to rank, experience, physical fitness, specialization and knowledge of languages, and shall comply with whatever policies and procedures may be laid down by the United Nations regarding medical or other clearances, vaccinations, travel, shipping, leave or other entitlement.
2. During the period of assignment to [name of peace-keeping operation], the Government shall be responsible for payment of whatever emoluments, allowances and benefits may be due to its personnel under national arrangements.
3. The United Nations shall convey to the Government all pertinent information relating to the provision of the personnel, including matters of liability for loss or damage to United Nations property and compensation claims in respect of death, injury or illness attributable to United Nations service and/or loss of personal property.
4. Personnel and related equipment deployed for short periods for specific tasks, such as mine clearance, shall be negotiated and agreed upon separately in supplementary arrangements to this Agreement (see article 9 of the Agreement).
5. The general administrative and financial arrangements applicable to the provision of military and other personnel shall be those set forth in the aide-mémoire for troop-contributing countries.
6. The standard rate(s) established by the General Assembly shall be applicable for military personnel in respect of pay and allowances, supplementary payment for specialists, use factor for personal clothing, gear and equipment, and personal weaponry, including ammunition. ^{1/} An allowance of \$1.28 per person per day shall also be provided to cover personal incidental expenses.

^{1/} From July 1991, \$988 per person per month for pay and allowances (all ranks); \$291 per person per month supplementary payment for specialists, for up to a minimum of 25 per cent of logistic units and up to 10 per cent of other units; \$65 per person per month for the usage factor for personal clothing, gear and equipment (all ranks)/\$5 per person per month for personal weaponry, including ammunition (all ranks).

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English

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7. Civilian personnel provided by the Government who are serving as part of a formed body of troops shall be assimilated to military members of formed bodies of troops for the purpose of this Agreement.

Annex B, appendix 2

Requirements for major equipment

Category of equipment	Quantity	Method	Rate	Dry: Serial No.	Remarks
				Wet: Maintenance rate	
Telephone equipment:					
Telephone exchange, PABX		Wet			
Electrical:					
40 KVA generator		Dry			
80 KVA generator		Dry			
Combat vehicles:					
APC, wheeled, infantry, unarmed, fuel: 100 octane petrol only		Wet			
Support vehicle, commercial pattern:					
Bus, greater than 24 passengers					National requirement
Support vehicle, military pattern:					
Ambulance		Wet			
Jeep (4x4) with military radio		Wet			
Truck, utility/cargo		Wet			

If POL are provided, the rate for these products is listed under remarks.

Annex B, appendix 3

General conditions for major equipment

Government retains ownership

The major equipment shall remain the property of the Government.

Verification and control procedures

Transportation

Payment terms

- (i) "No-fault" insurance premium;
- (ii) Environmental and/or intensity operational use factor;
- (iii) Invoicing procedures.

Loss or damage

IN ADDITION, THE FOLLOWING ARE PROPOSED FOR INCLUSION:

- (i) Conditions for loss or damage of major equipment;
- (ii) Reporting and investigation procedures;
- (iii) Evaluation of claims.

Aircraft and vessels

General conditions for aircraft and vessels shall be negotiated and agreed upon separately in supplementary arrangements to this Agreement (see article 9 of the Agreement).

Annex C, appendix 2

Requirements for personnel-related minor equipment
and consumables

Level of self-sustainment

Category	Subcategory	Rate	Person strength
Catering			
Communications	VHF/UHF - FM		
	Telephone		
Office equipment			
Electrical			
Minor engineering			
Tentage			
Medical	Basic		
	First line		
	Dental		
Observation	General		
	Night observation		
Identification			
Field defence stores			
Miscellaneous general	Bedding		
	Furniture		
	Welfare		
Unique equipment	Winter clothing		

Annex C. appendix 3

General conditions for minor equipment and consumables

Government retains ownership

The minor equipment and consumables shall remain the property of the Government.

Transportation

Payment terms

- (i) "No-fault" insurance premium;
- (ii) Risk factor for hostile action/abandonment;
- (iii) Environmental and/or intensity operational use factor;
- (iv) Invoicing procedures.

Loss or damage

IN ADDITION, THE FOLLOWING ARE PROPOSED FOR INCLUSION

- (i) The United Nations shall not be responsible for any separate compensation to the Government for loss or damage to minor equipment or consumables;
- (ii) Reporting and investigation procedures.

APPENDIX V

Issue papers and focal point responsibilities

Issue paper No.	Subject area	Focal point(s)
1	Procedures for verification and control of the provision of equipment, supplies and services	Denmark, Netherlands
2, 3	Performance standards (2) and reimbursement rates (3) for minor equipment and consumables for self-sustainment	United States of America, Jordan, Malaysia
4	Model peace-keeping services agreement	France, Secretariat
5	Clarification of procedures for letters of assist	Australia, Secretariat
6	Transportation	United Kingdom of Great Britain and Northern Ireland, Egypt
7	Environmental and operational use factors	Netherlands, Ghana
8	Loss and damage	Ireland, Brazil
9	Performance standards and reimbursement rates for major equipment under a dry or wet lease	Canada, India
10	Implementation planning	Belgium

APPENDIX VI

Definitions related to the issue of loss and damage

No-fault incident

1. An incident resulting from a mishap which is not attributable to wilful misconduct or gross negligence on the part of an operator/custodian of equipment. This includes, inter alia, vehicle accidents and thefts.

Hostile action

2. An incident of short or sustained duration resulting from the action(s) of one or more belligerents which has a direct and significant hostile impact on the personnel and/or equipment of a troop-contributing country. A single hostile action may be characterized when different activities can be related to each other by means of time, place or tactical/strategic considerations, as acknowledged by the force commander.

Forced abandonment

3. Actions resulting from a decision approved by the force commander or his authorized representative or a provision in the rules of engagement which results in the loss of custody and control of equipment and supplies.

Loss or damage

4. The total or partial elimination of equipment and/or supplies resulting from:

- (a) A no-fault incident;
- (b) The actions of one or more belligerents;
- (c) A decision approved by the force commander;
- (d) A provision in the rules of engagement.
